

**SESSION LAWS**  
**OF**  
**HAWAII**  
**PASSED BY THE**  
**TWENTY-EIGHTH STATE LEGISLATURE**  
**STATE OF HAWAII**

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**REGULAR SESSION**  
**2015**

Convened on Wednesday, January 21, 2015 and  
Adjourned sine die on Thursday, May 7, 2015

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Published under Authority of  
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by the  
Revisor of Statutes  
State of Hawaii  
Honolulu, Hawaii

## PREFACE

This volume contains all of the laws enacted by the Hawaii State Legislature during the Regular Session of 2015.

The text of the laws is printed in full except as provided herein. Statutory material that is being repealed is either bracketed or bracketed and stricken. New material is indicated by underscoring. However, as authorized by Section 23G-16.5, Hawaii Revised Statutes (HRS), the text is edited to omit the bracketed material for HRS sections that are being repealed in their entirety and to omit the underscoring for entirely new HRS sections. With the exception of the foregoing and certain obvious typographical errors that have been corrected, the text of the laws appears as enacted.

Explanatory notes appear at the end of the corresponding laws. The notes clarify editorial changes and inconsistencies in text.

Charlotte A. Carter-Yamauchi  
Revisor of Statutes

Honolulu, Hawaii  
July 15, 2015

**STATE OF HAWAII**  
**ELECTED OFFICIALS AND LEGISLATIVE OFFICERS**

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**UNITED STATES CONGRESS**

Senate:  
Brian Schatz  
Mazie K. Hirono

House of Representatives:  
Tulsi Gabbard  
Mark Takai

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**STATE EXECUTIVE OFFICERS**

Governor of Hawaii.....David Y. Ige  
Lieutenant Governor ..... Shan S. Tsutsui

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**OFFICERS AND MEMBERS OF THE  
TWENTY-EIGHTH STATE LEGISLATURE  
REGULAR SESSION 2015**

**SENATE**

President.....Donna Mercado Kim / Ronald D. Kouchi<sup>1</sup>  
Vice President..... Will Espero  
Clerk..... Carol T. Taniguchi

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First District—(Hawaii) Gilbert Kahele (D)	Tenth District—(Oahu) Les Ihara, Jr. (D)
Second District—(Hawaii) Russell E. Ruderman (D)	Eleventh District—(Oahu) Brian T. Taniguchi (D)
Third District—(Hawaii) Josh Green, M.D. (D)	Twelfth District—(Oahu) Brickwood Galuteria (D)
Fourth District—(Hawaii) Lorraine R. Inouye (D)	Thirteenth District—(Oahu) Suzanne Chun Oakland (D)
Fifth District—(Maui) Gilbert S. C. Keith-Agaran (D)	Fourteenth District—(Oahu) Donna Mercado Kim (D)
Sixth District—(Maui) Rosalyn H. Baker (D)	Fifteenth District—(Oahu) Glenn Wakai (D)
Seventh District—(Maui/Molokai/Lanai) J. Kalani English (D)	Sixteenth District—(Oahu) Breene Harimoto (D)
Eighth District—(Kauai/Niihau) Ronald D. Kouchi (D)	Seventeenth District—(Oahu) Clarence K. Nishihara (D)
Ninth District—(Oahu) Sam Slom (R)	Eighteenth District—(Oahu) Michelle N. Kidani (D)

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<sup>1</sup>Ronald D. Kouchi succeeded Donna Mercado Kim as President.

Nineteenth District—(Oahu)  
Will Espero (D)

Twentieth District—(Oahu)  
Mike Gabbard (D)

Twenty-Third District—(Oahu)  
Gil Riviere (D)

Twenty-First District—(Oahu)  
Maile S. L. Shimabukuro (D)

Twenty-Fourth District—(Oahu)  
Jill N. Tokuda (D)

Twenty-Second District—(Oahu)  
Donovan M. Dela Cruz (D)

Twenty-Fifth District—(Oahu)  
Laura H. Thielen (D)

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## HOUSE OF REPRESENTATIVES

Speaker ..... Joseph M. Souki  
 Vice Speaker ..... John M. Mizuno  
 Clerk ..... Brian L. Takeshita

First District—(Hawaii) Mark M. Nakashima (D)	Sixteenth District—(Kauai/Niihau) Dee Morikawa (D)
Second District—(Hawaii) Clift Tsuji (D)	Seventeenth District—(Oahu) Gene Ward, Ph.D. (R)
Third District—(Hawaii) Richard H. K. Onishi (D)	Eighteenth District—(Oahu) Mark J. Hashem (D)
Fourth District—(Hawaii) Joy A. San Buenaventura (D)	Nineteenth District—(Oahu) Bertrand Kobayashi (D)
Fifth District—(Hawaii) Richard P. Creagan (D)	Twentieth District—(Oahu) Calvin K. Y. Say (D)
Sixth District—(Hawaii) Nicole E. Lowen (D)	Twenty-First District—(Oahu) Scott Y. Nishimoto (D)
Seventh District—(Hawaii) Cindy Evans (D)	Twenty-Second District—(Oahu) Tom Brower (D)
Eighth District—(Maui) Joseph M. Souki (D)	Twenty-Third District—(Oahu) Isaac W. Choy (D)
Ninth District—(Maui) Justin H. Woodson (D)	Twenty-Fourth District—(Oahu) Della Au Belatti (D)
Tenth District—(Maui) Angus L. K. McKelvey (D)	Twenty-Fifth District—(Oahu) Sylvia Luke (D)
Eleventh District—(Maui) Kaniela Ing (D)	Twenty-Sixth District—(Oahu) Scott K. Saiki (D)
Twelfth District—(Maui) Kyle T. Yamashita (D)	Twenty-Seventh District—(Oahu) Takashi Ohno (D)
Thirteenth District—(Maui/Molokai/ Lanai) Lynn DeCoite <sup>1</sup> (D)	Twenty-Eighth District—(Oahu) John M. Mizuno (D)
Fourteenth District—(Kauai) Derek S. K. Kawakami (D)	Twenty-Ninth District—(Oahu) Karl Rhoads (D)
Fifteenth District—(Kauai) James Kunane Tokioka (D)	Thirtieth District—(Oahu) Romy M. Cachola (D)
	Thirty-First District—(Oahu) Aaron Ling Johanson (D)

<sup>1</sup>Appointed to seat vacated by Mele Carroll.

Thirty-Second District—(Oahu) Linda Ichiyama (D)	Forty-Second District—(Oahu) Sharon E. Har (D)
Thirty-Third District—(Oahu) Sam Satoru Kong (D)	Forty-Third District—(Oahu) Andria P. L. Tupola (R)
Thirty-Fourth District—(Oahu) Gregg Takayama (D)	Forty-Fourth District—(Oahu) Jo Jordan (D)
Thirty-Fifth District—(Oahu) Roy M. Takumi (D)	Forty-Fifth District—(Oahu) Lauren Kealohilani Matsumoto (R)
Thirty-Sixth District—(Oahu) Beth Fukumoto Chang (R)	Forty-Sixth District—(Oahu) Marcus R. Oshiro (D)
Thirty-Seventh District—(Oahu) Ryan I. Yamane (D)	Forty-Seventh District—(Oahu) Feki Pouha (R)
Thirty-Eighth District—(Oahu) Henry J. C. Aquino (D)	Forty-Eighth District—(Oahu) Jarrett Keohokalole (D)
Thirty-Ninth District—(Oahu) Ty J. K. Cullen (D)	Forty-Ninth District—(Oahu) Ken Ito (D)
Fortieth District—(Oahu) Bob McDermott (R)	Fiftieth District—(Oahu) Cynthia Thielen (R)
Forty-First District—(Oahu) Matthew S. LoPresti (D)	Fifty-First District—(Oahu) Chris Lee (D)

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**PROPOSED CONSTITUTIONAL AMENDMENT**

**2015 REGULAR SESSION**

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**Session Laws of Hawaii  
Passed By The  
Twenty-Eighth State Legislature  
Regular Session  
2015**

**ACT 1**

H.B. NO. 1465

A Bill for an Act Making Appropriations to Provide for the Expenses of the Legislature, the Auditor, the Legislative Reference Bureau, the Ombudsman, and the Ethics Commission.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. There is appropriated out of the general revenues of the State of Hawaii the sum of \$8,776,876 or so much thereof as may be necessary to the senate for the following expenses:

- (1) The sum of \$7,514,376 for defraying any and all session and non-session expenses of the senate up to and including June 30, 2016, including the 2015 regular session, twenty-eighth legislature of the State of Hawaii, and pre-session expenses and the expenses of any committee or committees established during the interim between the 2015 and 2016 regular sessions;
- (2) The sum of \$1,150,000 for defraying the expenses of the legislative information system for cost items such as hardware, software, consultants, installation, materials, supplies, and other related costs associated with the legislative information system that have been or will be incurred; and
- (3) The sum of \$112,500 for defraying the cost of the legislative broadcasting program to pay for the production and distribution of television broadcasts of legislative proceedings.

The sum appropriated in this section shall be expended by the senate.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$12,022,114 or so much thereof as may be necessary to the house of representatives for the following expenses:

- (1) The sum of \$10,971,190 for defraying any and all session and non-session expenses of the house of representatives up to and including June 30, 2016, including the 2015 regular session, twenty-eighth legislature of the State of Hawaii, and pre-session expenses and the expenses of any committee or committees established during the interim between the 2015 and 2016 regular sessions;
- (2) The sum of \$938,424 for defraying the expenses of the legislative information system for cost items such as hardware, software, consultants, installation, materials, supplies, and other related costs as-

## ACT 1

sociated with the legislative information system that have been or will be incurred; and

- (3) The sum of \$112,500 for defraying the cost of the legislative broadcasting program to pay for the production and distribution of television broadcasts of legislative proceedings.

The sum appropriated in this section shall be expended by the house of representatives.

SECTION 3. Payment of expenses of the senate during the interim between the 2015 and 2016 regular sessions shall be made only with the approval of the president of the senate, and payment of expenses of the house of representatives during the interim between the 2015 and 2016 regular sessions shall be made only with the approval of the speaker of the house of representatives.

SECTION 4. Before January 20, 2016, the senate and the house of representatives shall each have their accounts audited, and a full report of the respective audits shall be presented to the senate and to the house of representatives convening on January 20, 2016.

SECTION 5. Unless otherwise prescribed by law, the expenses of any member of the legislature while traveling abroad on official business of the legislature shall be \$145 a day as authorized by the president of the senate and the speaker of the house of representatives.

SECTION 6. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2,947,349 or so much thereof as may be necessary to the office of the auditor for the following expenses:

- (1) The sum of \$2,797,349 for defraying the expenses of the office of the auditor during fiscal year 2015-2016; and
- (2) The sum of \$150,000 during fiscal year 2015-2016 for:
  - (A) Performing special studies;
  - (B) Improving capabilities for planning, programming, and budgeting;
  - (C) Fulfilling other special requests made of the auditor by the legislature or jointly by the president of the senate and the speaker of the house of representatives;
  - (D) Legislative studies and contractual services for those studies; and
  - (E) Such other purposes as may be determined by the joint action of the president of the senate and the speaker of the house of representatives.

The sum appropriated in this section shall be expended by the auditor.

SECTION 7. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2,800,000 or so much thereof as may be necessary to the office of the auditor during fiscal year 2015-2016 to be deposited into the audit revolving fund established pursuant to section 23-3.6, Hawaii Revised Statutes.

SECTION 8. There is appropriated out of the audit revolving fund the sum of \$6,300,000 or so much thereof as may be necessary to the office of the auditor during fiscal year 2015-2016 for the office to conduct or complete its audit functions as provided by law.

The sum appropriated shall be expended by the auditor.

SECTION 9. There is appropriated out of the general revenues of the State of Hawaii the sum of \$3,440,969 or so much thereof as may be necessary to the legislative reference bureau for defraying the expenses of the legislative reference bureau during fiscal year 2015-2016, including equipment relating to computer systems programming and operations.

The sum appropriated in this section shall be expended by the legislative reference bureau.

SECTION 10. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,216,170 or so much thereof as may be necessary to the office of the ombudsman for defraying the expenses of the office during fiscal year 2015-2016.

The sum appropriated in this section shall be expended by the ombudsman.

SECTION 11. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,008,895 or so much thereof as may be necessary to the office of the state ethics commission for defraying the expenses of the office during fiscal year 2015-2016.

The sum appropriated in this section shall be expended by the state ethics commission.

SECTION 12. Except for moneys in the audit revolving fund, as of the close of business on June 30, 2016, the unexpended or unencumbered balance of any appropriation made by this Act shall lapse into the general fund.

SECTION 13. Each section of this Act is declared to be severable from the remainder of this Act.

SECTION 14. This Act shall take effect upon its approval.

(Approved February 20, 2015.)

## ACT 2

H.B. NO. 930

A Bill for an Act Making an Emergency Appropriation for the Office of the Governor.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is recommended by the governor for immediate passage in accordance with section 9 of article VII of the Constitution of the State of Hawaii.

SECTION 2. The purpose of this Act is to provide the office of the governor with operating funds to meet payroll shortfalls related to the gubernatorial transition, which required vacation payout to employees, and transfer of revenues to those employees' successor state or county employers. The funds will also be used to support ongoing equipment leases, professional organization dues, travel, protocol expenses, and media subscriptions.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$670,400, or so much thereof as may be necessary, for fiscal year 2014-2015 to be used by the office of the governor.



**ACT 3**

The sum appropriated shall be expended by the office of the governor for the purposes of this Act.

SECTION 4. This Act shall take effect upon its approval.

(Approved February 20, 2015.)

**ACT 3**

S.B. NO. 103

A Bill for an Act Relating to the State Budget.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Act 134, Session Laws of Hawaii 2013, as amended by Act 122, Session Laws of Hawaii 2014, is amended as follows:

1. By amending part III, section 5.1 to read:

“SECTION 5.1. Provided that of the general fund appropriation for general administration (LBR902), the sum of [~~\$450,000,~~] \$200,000, or so much thereof as may be necessary for fiscal year 2014-2015, shall be expended for the purpose of accrued vacation payments for all employees leaving the employ of the department of labor and industrial relations; provided further that the department shall first make payments from the vacation payout allocation before expending funds from turnover and vacancy amounts; provided further that the respective non-general fund shall reimburse the general fund for any payments made for accrued vacation payments; and provided further that any unexpended funds shall lapse to the general fund at the end of the fiscal year for which the appropriation was made.”

2. By amending part IV, section 39, program heading B (employment), item No. 15, program ID LBR903 office of community services, to read:

“15. NATIONAL KIDNEY FOUNDATION OF HAWAII, INC., OAHU

PLANS, LAND ACQUISITION, AND  
DESIGN [~~AND CONSTRUCTION~~] FOR A  
PROGRAM DEVELOPMENT CENTER.  
THIS PROJECT QUALIFIES AS A GRANT,  
PURSUANT TO CHAPTER 42F, HRS.

<u>PLANS</u>		275
<u>LAND ACQUISITION</u>		1,200
DESIGN		[ <del>150</del> ] 25
[ <del>CONSTRUCTION</del> ]		<del>1,350</del>
TOTAL FUNDING	LBR	1,500 C

C”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved April 1, 2015.)

## ACT 4

H.B. NO. 951

A Bill for an Act Relating to Notice of Hearing by the Labor and Industrial Relations Appeals Board.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 371-4, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

“(d) Unless otherwise provided by law, if service by first class mail is not made because the board or its agents have been unable to ascertain the address of the party after reasonable and diligent inquiry, the notice of hearing may be given to the party by online posting on the board’s webpage or by publication at least once in each of two successive weeks in a newspaper of general circulation. The online posting or last published notice shall appear at least fifteen days prior to the date of the hearing. The online posting shall be removed from the webpage no less than five business days after the date of the hearing.”

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved April 9, 2015.)

## ACT 5

S.B. NO. 332

A Bill for an Act Relating to Mohandas Karamchand Gandhi Day.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Mohandas Karamchand Gandhi, also known as “Mahatma”, was born on October 2, 1869. He was the leader of Indian nationalism in British-ruled India and led India to independence through the use of non-violent civil disobedience, inspiring various political leaders and civil rights movements across the world.

Throughout the world, Gandhi is admired for his nonviolent philosophy of passive resistance. He is commemorated on October 2 with a national holiday in India and world-wide with the International Day of Nonviolence.

The purpose of this Act is to remember Mohandas Karamchand Gandhi for his inspiration, tolerance, and enduring legacy by designating October 2 of each year as Mohandas Karamchand Gandhi Day in Hawaii.

SECTION 2. Chapter 8, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§8- **Mohandas Karamchand Gandhi Day.** October 2 of each year shall be known and designated as “Mohandas Karamchand Gandhi Day”; provided that this day is not and shall not be construed to be a state holiday.”

SECTION 3. New statutory material is underscored.<sup>1</sup>

SECTION 4. This Act shall take effect upon its approval.

(Approved April 9, 2015.)

## Note

1. Edited pursuant to HRS §23G-16.5.

A Bill for an Act Relating to the State Instrument.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the State has designated a state song, state flower, state tree, state marine mammal, and a state fish. However, there is no state musical instrument, despite the fact that the people of this State, particularly the native Hawaiians, have used and continue to use a variety of musical instruments for entertainment. Designation of an official state musical instrument would serve as an expression of appreciation for the significance of music in the Hawaiian culture.

The legislature further finds that in November 2014 about 130,000 Hawai'i students participated in WeVoteHawaii, a mock vote for students from kindergarten to the twelfth grade. The kids voted not only on candidates, but also on issues such as the official 'auana, or modern, and kahiko, or traditional, instruments for the State. The majority agreed that the pahu should become the official kahiko instrument of the State and the 'ukulele should become the official 'auana instrument of the State.

The purpose of this Act is to designate the official 'auana and kahiko musical instruments of the State in accordance with the results of the November 2014 WeVoteHawaii election in an effort to enthusiastically support Hawai'i's keiki in voting and the democratic process.

SECTION 2. Chapter 5, Hawai'i Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§5- **State musical instrument; 'auana; kahiko.** (a) The 'ukulele is established and designated as the official 'auana musical instrument of the State.

(b) The pahu is established and designated as the official kahiko musical instrument of the State.”

SECTION 3. New statutory material is underscored.<sup>1</sup>

SECTION 4. This Act shall take effect upon its approval.

(Approved April 9, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

A Bill for an Act Relating to Sakada Day.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature recognizes that the Filipino community has contributed significantly and substantially to the history, economy, culture, and heritage of Hawaii. Since the coming of the first Filipinos—fifteen *sakadas*, or Filipino plantation workers, who arrived in Honolulu aboard the *S.S. Doric* more than one hundred years ago on December 20, 1906, to work as contract la-

borers in the plantation industry—some one hundred twenty thousand *sakadas* arrived in Hawaii between 1906 and 1934. These *sakadas* paved the way for the great legacy of the Filipino community in Hawaii. Today, Filipinos and part-Filipinos constitute the largest ethnic group in the State of Hawaii.

The purpose of this Act is to recognize, acknowledge, and understand the historical significance of the arrival of the first *sakadas* in Hawaii. Furthermore, this Act:

- (1) Celebrates the historical significance and strong relationship between the State of Hawaii and the Republic of the Philippines; and
- (2) Recognizes the great contributions of Filipinos to Hawaii's diverse and multicultural society, as well as the rich culture and proud heritage of the Filipino people and their continuing positive influence on life in Hawaii.

SECTION 2. Chapter 8, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§8- **Sakada Day.** December 20 of each year shall be known and designated as “Sakada Day”; provided that this day is not and shall not be construed to be a state holiday.”

SECTION 3. New statutory material is underscored.<sup>1</sup>

SECTION 4. This Act shall take effect upon its approval.

(Approved April 9, 2015.)

#### Note

1. Edited pursuant to HRS §23G-16.5.

## ACT 8

H.B. NO. 928

A Bill for an Act Relating to the Consumer Advocate.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 269-15, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) If the public utilities commission is of the opinion that any public utility or any person is violating or neglecting to comply with any provision of this chapter or of any rule, regulation, order, or other requirement of the commission, or of any provisions of its franchise, charter, or articles of association, if any, or that changes, additions, extensions, or repairs are desirable in its plant or service to meet the reasonable convenience or necessity of the public, or to insure greater safety or security, or that any rates, fares, classifications, charges, or rules are unreasonable or unreasonably discriminatory, or that in any way it is doing what it ought not to do, or not doing what it ought to do, it shall in writing inform the public utility or the person and may institute such proceedings before it as may be necessary to require the public utility or the person to correct any such deficiency. In such event, the commission may by order direct the ~~director of commerce and consumer affairs~~ consumer advocate to appear in such proceeding, to carry out the purposes of this section. The commission may examine into any of the matters referred to in section 269-7, notwithstanding that the

## ACT 9

same may be within the jurisdiction of any court or other body; provided that this section shall not be construed as in any manner limiting or otherwise affecting the jurisdiction of any such court or other body.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved April 16, 2015.)

## ACT 9

H.B. NO. 269

A Bill for an Act Relating to Psychology.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the Commission on Accreditation of the American Psychological Association has been accrediting programs in professional psychology for over sixty years, gaining formal recognition as an accrediting body by the United States Department of Education and the Council of Higher Education Accreditation. The Commission is responsible for the accreditation of education and training programs in professional psychology consistent with its recognized scope of accreditation practice, including doctoral level education, internship training in professional psychology, and post doctoral specialty training in professional psychology.

The purpose of this Act is to recognize American Psychological Association accredited doctoral programs that provide broad and general training in scientific psychology and in the foundations of practice and strive to prepare students for the practice of professional psychology.

SECTION 2. Section 465-7, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Every applicant for a license as a psychologist shall submit evidence satisfactory to the board that the applicant meets the following requirements:

- (1) The applicant for licensure shall possess a doctoral degree from:
  - (A) An American Psychological Association approved program in clinical psychology[;], counseling psychology, school psychology, or programs offering combinations of two or more of these areas; or
  - (B) A professional psychology training program, awarded by an institution of higher education, or from a regionally accredited institution;
- (2) The applicant for licensure shall demonstrate that the applicant has completed one year of post doctoral supervised experience in health service in psychology, and:
  - (A) An internship approved by the American Psychological Association; or
  - (B) One year of supervised experience in health service in psychology, in an internship or residency program in an organized health service training program; and
- (3) The applicant for licensure has passed an examination as may be prescribed by the board.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.  
(Approved April 16, 2015.)

**ACT 10**

H.B. NO. 78

A Bill for an Act Relating to Non-General Funds.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to reclassify the accrued vacation and sick leave fund to a trust fund as recommended by the auditor in report no. 14-04, entitled review of special funds, revolving funds, trust funds, and trust accounts of the departments of defense and land and natural resources.

The legislature finds that while the administratively created fund meets the purpose for which it was established, it does not meet the criteria for a revolving fund and that reclassifying it as a trust fund would be more appropriate.

SECTION 2. The accrued vacation and sick leave fund administered by the department of land and natural resources is reclassified as a trust fund.

All balances in the fund shall remain as if no reclassification had occurred.

SECTION 3. This Act shall take effect on July 1, 2015.  
(Approved April 16, 2015.)

**ACT 11**

S.B. NO. 225

A Bill for an Act Relating to Driving Under the Influence.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 291E-61.5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) For the purposes of this section:

(1) “Convicted three or more times for offenses of operating a vehicle under the influence” means that, at the time of the behavior for which the person is charged under this section, the person had three or more times within ten years of the instant offense:

[(+) (A) A judgment on a verdict or a finding of guilty, or a plea of guilty or nolo contendere, for a violation of [~~this section or~~] section 291-4, 291-4.4, or 291-7 as those sections were in effect on December 31, 2001, or section 291E-61 or 707-702.5;

[(2) (B) A judgment on a verdict or a finding of guilty, or a plea of guilty or nolo contendere, for an offense that is comparable to [~~this section or~~] section 291-4, 291-4.4, or 291-7 as those sections were in effect on December 31, 2001, or section 291E-61 or 707-702.5; or

[(3) (C) An adjudication of a minor for a law or probation violation that, if committed by an adult, would constitute a violation of

~~[this section or]~~ section 291-4, 291-4.4, or 291-7 as those sections were in effect on December 31, 2001, or section 291E-61 or 707-702.5~~].~~

that, at the time of the instant offense, had not been expunged by pardon, reversed, or set aside. All convictions that have been expunged by pardon, reversed, or set aside prior to the instant offense shall not be deemed prior convictions for the purposes of proving that the ~~[person's status as]~~ person is a habitual operator of a vehicle while under the influence of an intoxicant.

~~[A person has the status of a "habitual]~~

(2) "Convicted one or more times for offenses of habitually operating a vehicle under the influence" means that, at the time of the behavior for which the person is charged under this section, the person had one or more times within ten years of the instant offense:

(A) A judgment on a verdict or a finding of guilty, or a plea of guilty or nolo contendere, for a violation of this section or section 291-4.4 as that section was in effect on December 31, 2001;

(B) A judgment on a verdict or a finding of guilty, or a plea of guilty or nolo contendere, for an offense that is comparable to this section or section 291-4.4 as that section was in effect on December 31, 2001; or

(C) An adjudication of a minor for a law or probation violation that, if committed by an adult, would constitute a violation of this section or section 291-4.4 as that section was in effect on December 31, 2001.

that, at the time of the instant offense, had not been expunged by pardon, reversed, or set aside. All convictions that have been expunged by pardon, reversed, or set aside prior to the instant offense shall not be deemed prior convictions for the purposes of proving the person's status as a habitual operator of a vehicle while under the influence of an intoxicant.

(3) "Habitual operator of a vehicle while under the influence of an intoxicant" [if] means that the person [has been]:

(A) Was convicted three or more times [~~within ten years of the instant offense,~~] for offenses of operating a vehicle under the influence [~~of an intoxicant,]; or~~

(B) Was convicted one or more times for offenses of habitually operating a vehicle under the influence."

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved April 21, 2015.)

## ACT 12

S.B. NO. 415

A Bill for an Act Relating to Bicycle Signals.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to clarify how a bicyclist is to signal to turn.

SECTION 2. Section 291C-86, Hawaii Revised Statutes, is amended to read as follows:

**“~~§291C-86~~ Method of giving hand-and-arm signals.** All signals herein required given by hand and arm shall be given from the left side of the vehicle in the following manner and such signals shall indicate as follows:

- (1) Left turn—hand and arm extended horizontally.
- (2) Right turn—hand and arm extended upward[~~;~~]. except bicyclists may signal using the right hand and arm extended horizontally from the right side of the bicycle.
- (3) Stop or decrease speed—hand and arm extended downward.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved April 21, 2015.)

## ACT 13

S.B. NO. 1183

A Bill for an Act Relating to State Land Mammal.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The *ōpe‘ape‘a*, otherwise known as the Hawaiian hoary bat (*Lasiurus cinereus semotus*), is Hawaii’s only endemic land mammal and is a subspecies found only in Hawaii. This bat is a subspecies of the North American hoary bat.

An adult Hawaiian hoary has an approximate twelve to fifteen inch wing-span, weighs approximately as much as a mouse, and flies at a speed of up to sixty miles per hour while pursuing mosquitoes, insects, and other night-land aerial prey. A single Hawaiian hoary bat can consume forty per cent of its body weight in a single night.

On October 13, 1970, the *ōpe‘ape‘a* (Hawaiian hoary bat) was listed as endangered under the Federal Endangered Species Act and the State of Hawaii’s endangered species list. Population estimates for the *ōpe‘ape‘a* have ranged from hundreds to a few thousand. The magnitude of any current population decline is unknown; however, observation and specimen records suggest that the *ōpe‘ape‘a* is now absent from historically occupied ranges. The legislature finds that preserving the *ōpe‘ape‘a*, which is found only in Hawaii, is important to Hawaii’s heritage and culture.

The purpose of this Act is to recognize the importance of the *ōpe‘ape‘a* to the State of Hawaii and raise awareness of the *ōpe‘ape‘a* as an endangered



## ACT 14

species and uniquely Hawaiian land mammal by designating the ʻōpeʻapeʻa as the official land mammal of the State.

SECTION 2. Chapter 5, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§5- State land mammal. The ʻōpeʻapeʻa, otherwise known as the Hawaiian hoary bat (*Lasiurus cinereus semotus*), is established and designated as the official land mammal of the State.”

SECTION 3. New statutory material is underscored.<sup>1</sup>

SECTION 4. This Act shall take effect upon its approval.

(Approved April 22, 2015.)

### Note

1. Edited pursuant to HRS §23G-16.5.

## ACT 14

S.B. NO. 1107

A Bill for an Act Making an Emergency Appropriation for General Assistance.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is recommended by the governor for immediate passage in accordance with section 9 of article VII of the Constitution of the State of Hawaii.

SECTION 2. Act 122, Session Laws of Hawaii 2014, appropriated a certain designated sum to the department of human services to provide funds for the general assistance program under the benefit, employment and support services division for the fiscal period beginning July 1, 2014, and ending June 30, 2015.

A critical funding emergency exists. Pursuant to section 346-53(b), Hawaii Revised Statutes, the general assistance program is a block grant program. The maximum allowance a general assistance recipient may receive is determined by dividing the amount of the appropriation by the number of general assistance recipients. The general assistance program will expend all appropriated funds before the end of the current fiscal year and the department will be unable to maintain the current maximum \$348 per month general assistance payment benefit to approximately 5,752 (the average General Assistance caseload for July - November 2014) disabled recipients. The current assistance grant for disabled individuals is based on 37.1 per cent of the 2006 federal poverty level. This amount is barely enough to cover living expenses for individuals on a fixed income who have no other viable means of support. Stopping the grant payment or reducing the amount of the grant payment for these individuals poses a real threat to the individuals' health and safety. To prevent the reduction of general assistance payments in the fourth quarter of fiscal year 2014-2015, additional funds are urgently needed.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2,514,822 or so much thereof as may be necessary for fiscal year 2014-2015 to be used for general assistance payments.

SECTION 4. The sum appropriated shall be expended by the department of human services for the purposes of this Act.

SECTION 5. This Act shall take effect upon its approval.  
(Approved April 22, 2015.)

## ACT 15

S.B. NO. 564

A Bill for an Act Relating to Corrections.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Act 24, Special Session Laws of Hawaii 2009, section 3, as amended by section 4 of Act 76, Session Laws of Hawaii 2012, as amended by section 1 of Act 66, Session Laws of Hawaii 2013, is amended by amending subsection (d) to read as follows:

“(d) The commission shall cease to exist on December 1, [~~2015.~~] 2019.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.  
(Approved April 23, 2015.)

## ACT 16

S.B. NO. 913

A Bill for an Act Relating to Public Safety.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that an estimated 2,700,000 children nationwide have at least one parent that is incarcerated, and studies conducted by the National Fatherhood Initiative show that in terms of negative impacts on children, incarceration may be worse than the death of a parent or the divorce of parents. Even more disheartening is the evidence that children of incarcerated parents are more likely to become incarcerated themselves as teenagers or adults, thus continuing the “cycle of incarceration” that sadly becomes generational in some families.

These statistics have not gone unnoticed by children- and family-serving organizations in Hawaii who have developed mentoring and other types of social services aimed at assisting these children. However, there continues to be major gaps in services for these children because funding for programs aimed at helping them has never been prioritized, largely due to a lack of data to justify the extent of the problem in Hawaii. This is especially true for service providers who are trying to access federal funding that is programmed to assist children and families and break the cycle of incarceration.

## ACT 17

In January 2014, the legislative keiki caucus established a working group to explore the issues surrounding children and families impacted by incarceration. Called the family reunification working group, the group was comprised of representatives from several organizations and service providers and parents of children who have been affected by incarceration. The group established two immediate priorities, one of which was to develop a database of children in Hawaii impacted by incarceration. During the past year, the working group explored various ways to collect the data needed to identify the number and basic demographics of these children and concluded that the fastest and easiest way to collect the essential data was to ask for this data on forms currently used by the department of public safety's corrections division to intake offenders entering the Hawaii corrections system.

SECTION 2. Chapter 353, Hawaii Revised Statutes, is amended by adding a new section to part I to be appropriately designated and to read as follows:

**“§353- Incarcerated parents; data collection.** Beginning on July 1, 2016, the department shall collect the following data upon intake of offenders into the correctional system:

- (1) The number of offenders who are parents;
- (2) The number of children under the age of eighteen, per offender who is a parent; and
- (3) Any other information about incarcerated parents and their children that the department deems useful to facilitate the provision of services to incarcerated parents or their children.”

SECTION 3. The department of public safety, in collaboration with the family reunification working group established by the legislative keiki caucus and other stakeholders, shall devise the forms or questions to be asked of offenders upon intake into the correctional system to obtain the information required pursuant to section 2 of this Act. The department of public safety shall also develop a plan for the management of the data collected and public disclosure of the data in accordance with all applicable laws.

SECTION 4. New statutory material is underscored.<sup>1</sup>

SECTION 5. This Act shall take effect upon its approval.

(Approved April 23, 2015.)

### Note

1. Edited pursuant to HRS §23G-16.5

## ACT 17

H.B. NO. 213

A Bill for an Act Relating to Jury Duty.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 612-8, Hawaii Revised Statutes, is amended by amending its title and subsection (a) to read as follows:

**“§612-8 Pay of jurors; mileage fee; bus fare; parking violations exemption.** (a) Each juror or prospective juror shall be paid \$30 for each day of actual attendance at court. In addition, each juror or prospective juror shall be paid the higher of either:

- (1) 33 cents for each mile actually and necessarily traveled in going to and from court[-]; or
- (2) The cost of an adult bus fare to and from the court.

A person who appears at the time for which that person is summoned to court for jury duty may be allowed the mileage fee or bus fare although the person, upon that person’s request, is subsequently excused or exempted from jury service.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved April 23, 2015.)

## ACT 18

H.B. NO. 966

A Bill for an Act Relating to Section 237-23, Hawaii Revised Statutes.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 237-23, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The exemptions enumerated in subsection (a)(3) to (7) shall apply only:

- (1) To those persons who shall have registered with the department of taxation by filing a written application for registration in such form as the department shall prescribe, shall have paid the registration fee of \$20, and shall have had the exemption allowed by the department or by a court or tribunal of competent jurisdiction upon appeal from any assessment resulting from disallowance of the exemption by the department;
- (2) To activities from which no profit inures to the benefit of any private stockholder or individual, except for death or other benefits to the members of fraternal societies; and
- (3) To the fraternal, religious, charitable, scientific, educational, communal, or social welfare activities of such persons, or to the activities of hospitals, infirmaries, sanitarium, and potable water companies, as such, and not to any activity the primary purpose of which is to produce income even though the income is to be used for or in furtherance of the exempt activities of such persons.”

SECTION 2. New statutory material is underscored.

SECTION 3. This Act, upon its approval, shall take effect retroactively to taxable years beginning after December 31, 2011.

(Approved April 23, 2015.)

A Bill for an Act Relating to the Regulation of Tobacco Products.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the unregulated use of electronic smoking devices is potentially hazardous to health and is disruptive to an orderly and productive work environment. The 2014 United States Surgeon General's Report, "The Health Consequences of Smoking—50 Years of Progress," states that studies and assessments by the United States Food and Drug Administration (FDA) and independent scientists have demonstrated enormous variability in design, operation, contents, and emissions of carcinogens, other toxicants, and nicotine from electronic smoking devices. Furthermore, according to the "Summary of Results: Laboratory Analysis of Electronic Cigarettes Conducted by FDA," testing also suggests that "quality control processes used to manufacture these products are inconsistent or non-existent."

Electronic smoking devices produce an aerosol of undetermined and potentially harmful substances, which may appear similar to the smoke emitted by traditional tobacco products, but is not designed to combust. The legislature recognizes that using an electronic smoking device closely resembles and purposefully mimics the act of smoking by having a user inhale vaporized liquid nicotine created by heat through an electronic ignition system.

The use of electronic smoking devices in locations where smoking is prohibited also threatens to undermine compliance with smoking regulations, creates a disturbance that impedes employee performance, confuses the public, and reverses the progress that has been made in establishing a social norm that smoking is not permitted in enclosed or partially enclosed public places and places of employment.

Prohibiting the use of electronic smoking devices in enclosed or partially enclosed places where smoking is prohibited will reduce the likelihood that employees and the public will associate the use of electronic smoking devices in enclosed or partially enclosed areas with healthful behavior, reduce the likelihood of nonuser exposure to exhaled toxicants and carcinogens, reduce the likelihood of workplace disturbances, enhance employee productivity, and help ensure compliance with existing smoking regulations.

The purpose of this Act is to prohibit the use of electronic smoking devices in places where smoking is currently prohibited.

SECTION 2. Section 328J-1, Hawaii Revised Statutes, is amended by adding two new definitions to be appropriately inserted and to read as follows:

"Electronic smoking device" means any electronic product that can be used to aerosolize and deliver nicotine or other substances to the person inhaling from the device, including but not limited to an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, hookah pipe, or hookah pen, and any cartridge or other component of the device or related product, whether or not sold separately.

"Tobacco product" means any product made or derived from tobacco, that contains nicotine or other substances, and is intended for human consumption or is likely to be consumed, whether smoked, heated, chewed, absorbed, dissolved, inhaled, or ingested by any other means, including, but not limited to, a cigarette, cigar, pipe tobacco, chewing tobacco, snuff, snus, or an electronic smoking device. "Tobacco product" does not include drugs, devices, or combination products approved for sale by the United States Food and Drug Admin-

istration, as those terms are defined in the Federal Food, Drug, and Cosmetic Act.”

SECTION 3. Section 328J-1, Hawaii Revised Statutes, is amended by amending the definition of “smoke” or “smoking” to read as follows:

~~““Smoke” or “smoking” means [inhaling or exhaling the fumes of tobacco or any other plant material, or burning or carrying any lighted smoking equipment for tobacco or any other plant material.]~~ inhaling, exhaling, burning, or carrying any lighted or heated tobacco product or plant product intended for inhalation in any manner or in any form. “Smoking” includes the use of an electronic smoking device.”

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on January 1, 2016.

(Approved April 23, 2015.)

## ACT 20

S.B. NO. 1106

A Bill for an Act Relating to the Medicaid Managed Care Program.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. In 1994, Hawaii’s medicaid program began using a managed care delivery system called QUEST. QUEST stands for quality care, universal access, efficient utilization, stabilizing costs, and transforming the way health care is provided. QUEST provides medically necessary primary and acute care to families, parent or caretaker relatives, and children. In 2009, the State’s medicaid program implemented a second program provided through a managed care delivery system called QUEST Expanded Access (QExA). QExA provides primary and acute care services, as well as long term care services, to individuals who are over sixty-five years of age, or determined to be disabled or legally blind.

Effective January 1, 2015, the QUEST and QExA managed care programs were combined and replaced by the QUEST Integration program, also provided through a managed care delivery system. The purpose of this Act is to amend statutes that refer to QUEST and QExA and change the terminology to read “medicaid managed care” or “medicaid managed care program”.

SECTION 2. Section 103F-402, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) State agencies to which the legislature has appropriated funds for the purchase of health and human services shall solicit proposals to provide health and human services by purchase of health and human services contracts, by publishing a notice requesting the submission of health and human service proposals; provided that a purchasing agency shall not solicit proposals for any [QUEST] medicaid managed care contract under this section if the anticipated contract sum exceeds \$100,000,000 and the commencement date of the contract is after the expiration of the term of office of the head of the purchasing agency. Notice of the request for proposals shall be given a reasonable time before the date set forth in the request for submission of proposals. The policy board shall adopt rules which specify:

- (1) The form of the notice;

- (2) What constitutes a reasonable interim between notice and the proposal submission deadline; and
- (3) How the notice is to be published, including whether the publication is to be completed in a newspaper of general circulation, by mail, through a public or private telecommunications network, or any other method or combination of methods which the board deems appropriate.”

SECTION 3. Section 346-41.5, Hawaii Revised Statutes, is amended to read as follows:

“**§346-41.5 Hawaii qualified health centers.** If the [QUEST] medicaid managed care program is implemented, the department shall provide a supplemental capitation program for the uninsured with enabling services based on an annual cost-based determination to all Hawaii qualified health centers [(HQHCs)] and to any nonprofit entity having a majority of Hawaii qualified health centers as board members.

For the purposes of this section, “enabling services” includes enabling services as defined by federally qualified health center standards. The department shall have the administrative flexibility to expend funds through [QUEST] medicaid managed care contracts, through a modified voucher system, or through chapter [~~42D.~~] 42F. Hawaii qualified health centers receiving these supplemental payments shall reconcile their costs on an annual basis.”

SECTION 4. Section 346-53.64, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Services eligible for prospective payment system reimbursement are those services that are furnished by a federally qualified health center or rural health clinic that are:

- (1) Within the legal authority of a federally qualified health center to deliver, as defined in section 1905 of the Social Security Act;
- (2) Actually provided by the federally qualified health center, either directly or under arrangements;
- (3) Covered benefits under the medicaid program, as defined in section 4231 of the State Medicaid Manual and the Hawaii medicaid state plan;
- (4) Provided to a recipient eligible for medicaid benefits;
- (5) Delivered exclusively by health care professionals, including physicians, physician’s assistants, nurse practitioners, nurse midwives, clinical social workers, clinical psychologists, and other persons acting within the lawful scope of their license or certificate to provide services;
- (6) Provided at the federally qualified health center’s practice site, a hospital emergency room, in an inpatient setting, at the patient’s place of residence, including long term care facilities, or at another medical facility; and
- (7) Within the scope of services provided by the State under its fee-for-service medicaid program and its [~~health QUEST~~] medicaid managed care program, on and after August 1994, and as amended from time to time.”

SECTION 5. Section 346-59.4, Hawaii Revised Statutes, is amended to read as follows:

**“§346-59.4 Medical assistance to other children.** The department shall provide state-funded medical assistance, of up to two hundred per cent of the federal poverty level for Hawaii, to persons less than nineteen years of age who are:

- (1) Legal permanent residents who arrived after August 22, 1996;
- (2) Persons who are permanently residing under color of law; and
- (3) Nonimmigrants from the Trust Territories of the Pacific Islands who are citizens of:
  - (A) The Marshall Islands;
  - (B) The Federated States of Micronesia; or
  - (C) Palau,

as defined by the Compact of Free Association Act of 1985, P.L. 99-239, or the Compact of Free Association between the United States and the Government of Palau, P.L. 99-658,

who are otherwise eligible for benefits under the State’s medicaid [~~programs, including QUEST~~] program and the State’s children health insurance program, but are ineligible due to restricted eligibility rules imposed by title XXI of the Social Security Act, the Personal Responsibility and Work Reconciliation Act of 1996, the Compact of Free Association Act of 1985, P.L. 99-239, the Compact of Free Association between the United States and the Government of Palau, P.L. 99-658, or any other provision of federal law denying medical assistance to nonimmigrants who are citizens of the Marshall Islands, the Federated States of Micronesia, or Palau.”

SECTION 6. Section 346-59.9, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) This section shall apply only to the [~~QUEST, QUEST Expanded Access,~~] medicaid managed care and fee-for-service programs administered by the department when the department or the department’s contracted health plan is the primary insurer. When the department is the secondary insurer, the department and its contracted health plans shall be responsible only for the secondary insurer’s share of any psychotropic medication covered by the primary insurer.”

SECTION 7. Section 346-59.9, Hawaii Revised Statutes, is amended by amending subsection (g) to read:

“(g) The department and its [~~QUEST~~] medicaid managed care contracted health plans shall have the authority to investigate fraud, abuse, or misconduct.”

SECTION 8. Section 346-352, Hawaii Revised Statutes, is amended to read as follows:

**“§346-352 Preauthorization exemption for certain physicians and physician assistants.** Any physician or physician assistant licensed in this State who treats a medicaid recipient suffering from the human immunodeficiency virus, acquired immune deficiency syndrome, or hepatitis C, or who is a patient in need of transplant immunosuppressives, may prescribe any medications approved by the United States Food and Drug Administration and that are eligible for Omnibus Budget Reconciliation Rebates Act (OBRA), that are necessary to treat the condition, without having to comply with the requirements of any preauthorization procedure established by any other provision of this chapter. This section shall not apply to [~~QUEST~~] medicaid managed care medical plans.”

SECTION 9. Section 461-10.5, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:



“(d) Remote dispensing pharmacies shall not provide medications to patients with health insurance coverage, except for:

- (1) Patients covered by ~~[QUEST;]~~ medicaid managed care programs;
- (2) Patients served at a facility operated by a health maintenance organization regulated pursuant to chapter 432D; or
- (3) Patients residing on an island without a pharmacy or in remote areas without an existing pharmacy within a five mile radius. A remote dispensing pharmacy established pursuant to this subsection may continue to operate in the same location if a pharmacy is subsequently established on the same island as the remote dispensing pharmacy or in the remote area without an existing pharmacy within a five-mile radius; provided that the remote dispensing pharmacy shall no longer be authorized to dispense controlled substances.”

SECTION 10. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 11. This Act shall take effect upon its approval.

(Approved April 23, 2015.)

ACT 21

S.B. NO. 822

A Bill for an Act Relating to Education.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 302A-251, Hawaii Revised Statutes, is amended to read as follows:

“~~§302A-251 School year; [instructional time-]~~ student hours. (a) Notwithstanding any other law to the contrary, beginning with the 2011-2013 school years, all public schools, excluding charter schools and multi-track public schools, shall implement a school year of one hundred eighty days, excluding professional development days and other non-instructional days negotiated pursuant to chapter 89.

(b) Notwithstanding any other law to the contrary:

- (1) For the 2011-2012 school year, fifty per cent of all public elementary schools in the State, excluding charter schools and multi-track public schools, shall implement a school year that includes nine hundred fifteen student ~~[instructional]~~ hours; and
- (2) Beginning with the 2012-2013 school year, all public elementary schools in the State, excluding charter schools and multi-track public schools, shall implement a school year that includes nine hundred fifteen student ~~[instructional]~~ hours.

(c) Notwithstanding any other law to the contrary, for the ~~[2014-2016]~~ 2015-2016 school ~~[years,]~~ year, all public secondary schools, excluding charter schools and multi-track public schools, shall implement a school year that includes nine hundred ninety student ~~[instructional]~~ hours.

(d) Notwithstanding any other law to the contrary, ~~[for]~~ beginning with the [2016-2018] 2016-2017 school ~~[years,]~~ year, all public schools, excluding charter schools and multi-track public schools, shall implement a school year of one hundred eighty days, excluding professional development days and other non-instructional days negotiated pursuant to chapter 89, that shall include one

thousand eighty student [instructional] hours for both elementary and secondary school grades.

(e) The board, in its discretion, may grant a waiver to any individual school subject to the student [instructional] hours or one hundred eighty day school year requirements in this section. The board shall adopt policies and procedures to grant a waiver under this subsection.

(f) For purposes of this section, “student [instructional] hours” [means student learning time during which students are engaged in learning activities including regularly scheduled instruction and learning assessments within the curriculum, and does not include lunch, recess, or passing time.] shall be inclusive of the full school day in alignment with the State’s general learner outcomes.

(g) The department of education, with the board of education and office of the governor, and in consultation with representatives of the affected collective bargaining units, shall submit to the legislature, no later than twenty days prior to the convening of the regular sessions of 2013, 2014, 2015, and 2016, [2017, and 2018,] a report on its progress and efforts to meet the requirements of subsections (a), (b), (c), and (d).”

SECTION 2. Act 167, Session Laws of Hawaii 2010, as amended by Act 52, Session Laws of Hawaii 2011, is amended by repealing section 4.

[“SECTION 4. The department of education shall, with the board of education and office of the governor, and in consultation with representatives of the affected collective bargaining units, submit to the legislature, no later than twenty days prior to the convening of the regular session of 2015, a plan to implement beginning with the 2018-2019 school year, for elementary and secondary school grades at all public schools, excluding charter schools and multi-track public schools, a school year of one hundred ninety days, excluding professional development days and other non-instructional days negotiated pursuant to chapter 89, Hawaii Revised Statutes, that shall include one thousand one hundred forty student instructional hours.

For purposes of this section, “student instructional hours” shall have the same meaning as in section 302A-251, Hawaii Revised Statutes.”]

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved April 23, 2015.)

#### Note

1. Comma should be underscored.

## ACT 22

S.B. NO. 1212

A Bill for an Act Relating to Amending or Repealing Various Provisions of Hawaii Tax Laws for the Purpose of Deleting Obsolete or Unnecessary Provisions.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that sections of the general excise tax and public service company tax laws contain provisions that were to phase in the

effect of certain amendments over several years. However, the phase-in periods for those provisions have long since ended, making those provisions obsolete.

The purpose of this Act is to repeal the obsolete provisions in the general excise tax and public service company tax laws.

SECTION 2. Section 237-4, Hawaii Revised Statutes, is amended to read as follows:

**“§237-4 “Wholesaler”, “jobber”, defined.** (a) “Wholesaler” or “jobber” applies only to a person making sales at wholesale. Only the following are sales at wholesale:

- (1) Sales to a licensed retail merchant, jobber, or other licensed seller for purposes of resale;
- (2) Sales to a licensed manufacturer of materials or commodities that are to be incorporated by the manufacturer into a finished or saleable product (including the container or package in which the product is contained) during the course of its preservation, manufacture, or processing, including preparation for market, and that will remain in such finished or saleable product in such form as to be perceptible to the senses, which finished or saleable product is to be sold and not otherwise used by the manufacturer;
- (3) Sales to a licensed producer or cooperative association of materials or commodities that are to be incorporated by the producer or by the cooperative association into a finished or saleable product that is to be sold and not otherwise used by the producer or cooperative association, including specifically materials or commodities expended as essential to the planting, growth, nurturing, and production of commodities that are sold by the producer or by the cooperative association;
- (4) Sales to a licensed contractor, of materials or commodities that are to be incorporated by the contractor into the finished work or project required by the contract and that will remain in such finished work or project in such form as to be perceptible to the senses;
- (5) Sales to a licensed producer, or to a cooperative association described in section 237-23(a)(7) for sale to a licensed producer, or to a licensed person operating a feed lot, of poultry or animal feed, hatching eggs, semen, replacement stock, breeding services for the purpose of raising or producing animal or poultry products for disposition as described in section 237-5 or for incorporation into a manufactured product as described in paragraph (2) or for the purpose of breeding, hatching, milking, or egg laying other than for the customer's own consumption of the meat, poultry, eggs, or milk so produced; provided that in the case of a feed lot operator, only the segregated cost of the feed furnished by the feed lot operator as part of the feed lot operator's service to a licensed producer of poultry or animals to be butchered or to a cooperative association described in section 237-23(a)(7) of such licensed producers shall be deemed to be a sale at wholesale; and provided further that any amount derived from the furnishing of feed lot services, other than the segregated cost of feed, shall be deemed taxable at the service business rate. This paragraph shall not apply to the sale of feed for poultry or animals to be used for hauling, transportation, or sports purposes;

- (6) Sales to a licensed producer, or to a cooperative association described in section 237-23(a)(7) for sale to the producer, of seed or seedstock for producing agricultural and aquacultural products, or bait for catching fish (including the catching of bait for catching fish), which agricultural and aquacultural products or fish are to be disposed of as described in section 237-5 or to be incorporated in a manufactured product as described in paragraph (2);
- (7) Sales to a licensed producer, or to a cooperative association described in section 237-23(a)(7) for sale to such producer; of polypropylene shade cloth; of polyfilm; of polyethylene film; of cartons and such other containers, wrappers, and sacks, and binders to be used for packaging eggs, vegetables, fruits, and other agricultural and aquacultural products; of seedlings and cuttings for producing nursery plants or aquacultural products; or of chick containers; which cartons and such other containers, wrappers, and sacks, binders, seedlings, cuttings, and containers are to be used as described in section 237-5, or to be incorporated in a manufactured product as described in paragraph (2);
- (8) Sales of tangible personal property where:
  - (A) Tangible personal property is sold upon the order or request of a licensed seller for the purpose of rendering a service in the course of the person's service business or calling, or upon the order or request of a person subject to tax under section 237D-2 for the purpose of furnishing transient accommodations;
  - (B) The tangible personal property becomes or is used as an identifiable element of the service rendered; and
  - (C) The cost of the tangible personal property does not constitute overhead to the licensed seller;

~~[the sale shall be subject to section 237-13.3;]~~
- (9) Sales to a licensed leasing company of capital goods that have a depreciable life, are purchased by the leasing company for lease to its customers, and are thereafter leased as a service to others;
- (10) Sales of services to a licensed seller engaging in a business or calling whenever:
  - (A) Either:
    - (i) In the context of a service-to-service transaction, a service is rendered upon the order or request of a licensed seller for the purpose of rendering another service in the course of the seller's service business or calling, including a dealer's furnishing of goods or services to the purchaser of tangible personal property to fulfill a warranty obligation of the manufacturer of the property;
    - (ii) In the context of a service-to-tangible personal property transaction, a service is rendered upon the order or request of a licensed seller for the purpose of manufacturing, producing, or preparing tangible personal property to be sold;
    - (iii) In the context of a services-to-contracting transaction, a service is rendered upon the order or request of a licensed contractor as defined in section 237-6 for the purpose of assisting that licensed contractor; or
    - (iv) In the context of a services-to-transient accommodations rental transaction, a service is rendered upon the order or

- request of a person subject to tax under section 237D-2 for the purpose of furnishing transient accommodations;
- (B) The benefit of the service passes to the customer of the licensed seller, licensed contractor, or person furnishing transient accommodations as an identifiable element of the other service or property to be sold, the contracting, or the furnishing of transient accommodations;
  - (C) The cost of the service does not constitute overhead to the licensed seller, licensed contractor, or person furnishing transient accommodations;
  - (D) The gross income of the licensed seller is not divided between the licensed seller and another licensed seller, contractor, or person furnishing transient accommodations for imposition of the tax under this chapter;
  - (E) The gross income of the licensed seller is not subject to a deduction under this chapter or chapter 237D; and
  - (F) The resale of the service, tangible personal property, contracting, or transient accommodations is subject to the tax imposed under this chapter at the highest tax rate.
- [Sales subject to this paragraph shall be subject to section 237-13.3;]
- (11) Sales to a licensed retail merchant, jobber, or other licensed seller of bulk condiments or prepackaged single-serving packets of condiments that are provided to customers by the licensed retail merchant, jobber, or other licensed seller;
  - (12) Sales to a licensed retail merchant, jobber, or other licensed seller of tangible personal property that will be incorporated or processed by the licensed retail merchant, jobber, or other licensed seller into a finished or saleable product during the course of its preparation for market (including disposable, nonreturnable containers, packages, or wrappers, in which the product is contained and that are generally known and most commonly used to contain food or beverage for transfer or delivery), and which finished or saleable product is to be sold and not otherwise used by the licensed retail merchant, jobber, or other licensed seller;
  - (13) Sales of amusements subject to taxation under section 237-13(4) to a licensed seller engaging in a business or calling whenever:
    - (A) Either:
      - (i) In the context of an amusement-to-service transaction, an amusement is rendered upon the order or request of a licensed seller for the purpose of rendering another service in the course of the seller's service business or calling;
      - (ii) In the context of an amusement-to-tangible personal property transaction, an amusement is rendered upon the order or request of a licensed seller for the purpose of selling tangible personal property; or
      - (iii) In the context of an amusement-to-amusement transaction, an amusement is rendered upon the order or request of a licensed seller for the purpose of rendering another amusement in the course of the person's amusement business;
    - (B) The benefit of the amusement passes to the customer of the licensed seller as an identifiable element of the other service, tangible personal property to be sold, or amusement;

- (C) The cost of the amusement does not constitute overhead to the licensed seller;
- (D) The gross income of the licensed seller is not divided between the licensed seller and another licensed seller, person furnishing transient accommodations, or person rendering an amusement for imposition of the tax under chapter 237;
- (E) The gross income of the licensed seller is not subject to a deduction under this chapter; and
- (F) The resale of the service, tangible personal property, or amusement is subject to the tax imposed under this chapter at the highest rate.

As used in this paragraph, "amusement" means entertainment provided as part of a show for which there is an admission charge[~~]. Sales subject to this paragraph shall be subject to section 237-13.3]; and~~

- (14) Sales by a printer to a publisher of magazines or similar printed materials containing advertisements, when the publisher is under contract with the advertisers to distribute a minimum number of magazines or similar printed materials to the public or defined segment of the public, whether or not there is a charge to the persons who actually receive the magazines or similar printed materials.

(b) If the use tax law is finally held by a court of competent jurisdiction to be unconstitutional or invalid insofar as it purports to tax the use or consumption of tangible personal property imported into the State in interstate or foreign commerce or both, wholesalers and jobbers shall be taxed thereafter under this chapter in accordance with the following definition (which shall supersede the preceding paragraph otherwise defining "wholesaler" or "jobber"): "Wholesaler" or "jobber" means a person, or a definitely organized division thereof, definitely organized to render and rendering a general distribution service that buys and maintains at the person's place of business a stock or lines of merchandise that the person distributes; and that the person, through salespersons, advertising, or sales promotion devices, sells to licensed retailers, to institutional or licensed commercial or industrial users, in wholesale quantities and at wholesale rates. A corporation deemed not to be carrying on a trade or business in this State under section 235-6 shall nevertheless be deemed to be a wholesaler and shall be subject to the tax imposed by this chapter."

SECTION 3. Section 237-13, Hawaii Revised Statutes, is amended to read as follows:

**"§237-13 Imposition of tax.** There is hereby levied and shall be assessed and collected annually privilege taxes against persons on account of their business and other activities in the State measured by the application of rates against values of products, gross proceeds of sales, or gross income, whichever is specified, as follows:

- (1) Tax on manufacturers.
  - (A) Upon every person engaging or continuing within the State in the business of manufacturing, including compounding, canning, preserving, packing, printing, publishing, milling, processing, refining, or preparing for sale, profit, or commercial use, either directly or through the activity of others, in whole or in part, any article or articles, substance or substances, commodity or commodities, the amount of the tax to be equal to the value of the articles, substances, or commodities, manu-

factured, compounded, canned, preserved, packed, printed, milled, processed, refined, or prepared for sale, as shown by the gross proceeds derived from the sale thereof by the manufacturer or person compounding, preparing, or printing them, multiplied by one-half of one per cent.

- (B) The measure of the tax on manufacturers is the value of the entire product for sale, regardless of the place of sale or the fact that deliveries may be made to points outside the State.
- (C) If any person liable for the tax on manufacturers ships or transports the person's product, or any part thereof, out of the State, whether in a finished or unfinished condition, or sells the same for delivery to points outside the State (for example, consigned to a mainland purchaser via common carrier f.o.b. Honolulu), the value of the products in the condition or form in which they exist immediately before entering interstate or foreign commerce, determined as hereinafter provided, shall be the basis for the assessment of the tax imposed by this paragraph. This tax shall be due and payable as of the date of entry of the products into interstate or foreign commerce, whether the products are then sold or not. The department shall determine the basis for assessment, as provided by this paragraph, as follows:
  - (i) If the products at the time of their entry into interstate or foreign commerce already have been sold, the gross proceeds of sale, less the transportation expenses, if any, incurred in realizing the gross proceeds for transportation from the time of entry of the products into interstate or foreign commerce, including insurance and storage in transit, shall be the measure of the value of the products;
  - (ii) If the products have not been sold at the time of their entry into interstate or foreign commerce, and in cases governed by clause (i) in which the products are sold under circumstances such that the gross proceeds of sale are not indicative of the true value of the products, the value of the products constituting the basis for assessment shall correspond as nearly as possible to the gross proceeds of sales for delivery outside the State, adjusted as provided in clause (i), or if sufficient data are not available, sales in the State, of similar products of like quality and character and in similar quantities, made by the taxpayer (unless not indicative of the true value) or by others. Sales outside the State, adjusted as provided in clause (i), may be considered when they constitute the best available data. The department shall prescribe uniform and equitable rules for ascertaining the values;
  - (iii) At the election of the taxpayer and with the approval of the department, the taxpayer may make the taxpayer's returns under clause (i) even though the products have not been sold at the time of their entry into interstate or foreign commerce; and
  - (iv) In all cases in which products leave the State in an unfinished condition, the basis for assessment shall be adjusted so as to deduct the portion of the value as is attributable to the finishing of the goods outside the State.

- (2) Tax on business of selling tangible personal property; producing.
- (A) Upon every person engaging or continuing in the business of selling any tangible personal property whatsoever (not including, however, bonds or other evidence of indebtedness, or stocks), there is likewise hereby levied, and shall be assessed and collected, a tax equivalent to four per cent of the gross proceeds of sales of the business; provided that, in the case of a wholesaler, the tax shall be equal to one-half of one per cent of the gross proceeds of sales of the business; and provided further that insofar as the sale of tangible personal property is a wholesale sale under section 237-4(a)(8), the ~~sale shall be subject to section 237-13.3.~~ tax shall be one-half of one per cent of the gross proceeds. Upon every person engaging or continuing within this State in the business of a producer, the tax shall be equal to one-half of one per cent of the gross proceeds of sales of the business, or the value of the products, for sale, if sold for delivery outside the State or shipped or transported out of the State, and the value of the products shall be determined in the same manner as the value of manufactured products covered in the cases under paragraph (1)(C).
- (B) Gross proceeds of sales of tangible property in interstate and foreign commerce shall constitute a part of the measure of the tax imposed on persons in the business of selling tangible personal property, to the extent, under the conditions, and in accordance with the provisions of the Constitution of the United States and the Acts of the Congress of the United States which may be now in force or may be hereafter adopted, and whenever there occurs in the State an activity to which, under the Constitution and Acts of Congress, there may be attributed gross proceeds of sales, the gross proceeds shall be so attributed.
- (C) No manufacturer or producer, engaged in such business in the State and selling the manufacturer's or producer's products for delivery outside of the State (for example, consigned to a mainland purchaser via common carrier f.o.b. Honolulu), shall be required to pay the tax imposed in this chapter for the privilege of so selling the products, and the value or gross proceeds of sales of the products shall be included only in determining the measure of the tax imposed upon the manufacturer or producer.
- (D) When a manufacturer or producer, engaged in such business in the State, also is engaged in selling the manufacturer's or producer's products in the State at wholesale, retail, or in any other manner, the tax for the privilege of engaging in the business of selling the products in the State shall apply to the manufacturer or producer as well as the tax for the privilege of manufacturing or producing in the State, and the manufacturer or producer shall make the returns of the gross proceeds of the wholesale, retail, or other sales required for the privilege of selling in the State, as well as making the returns of the value or gross proceeds of sales of the products required for the privilege of manufacturing or producing in the State. The manufacturer or producer shall pay the tax imposed in this chapter for the privilege of selling its products in the State, and the value or gross proceeds of sales of the products, thus



- subjected to tax, may be deducted insofar as duplicated as to the same products by the measure of the tax upon the manufacturer or producer for the privilege of manufacturing or producing in the State; provided that no producer of agricultural products who sells the products to a purchaser who will process the products outside the State shall be required to pay the tax imposed in this chapter for the privilege of producing or selling those products.
- (E) A taxpayer selling to a federal cost-plus contractor may make the election provided for by paragraph (3)(C), and in that case the tax shall be computed pursuant to the election, notwithstanding this paragraph or paragraph (1) to the contrary.
- (F) The department, by rule, may require that a seller take from the purchaser of tangible personal property a certificate, in a form prescribed by the department, certifying that the sale is a sale at wholesale; provided that:
- (i) Any purchaser who furnishes a certificate shall be obligated to pay to the seller, upon demand, the amount of the additional tax that is imposed upon the seller whenever the sale in fact is not at wholesale; and
  - (ii) The absence of a certificate in itself shall give rise to the presumption that the sale is not at wholesale unless the sales of the business are exclusively at wholesale.
- (3) Tax upon contractors.
- (A) Upon every person engaging or continuing within the State in the business of contracting, the tax shall be equal to four per cent of the gross income of the business.
- (B) In computing the tax levied under this paragraph, there shall be deducted from the gross income of the taxpayer so much thereof as has been included in the measure of the tax levied under subparagraph (A), on:
- (i) Another taxpayer who is a contractor, as defined in section 237-6;
  - (ii) A specialty contractor, duly licensed by the department of commerce and consumer affairs pursuant to section 444-9, in respect of the specialty contractor's business; or
  - (iii) A specialty contractor who is not licensed by the department of commerce and consumer affairs pursuant to section 444-9, but who performs contracting activities on federal military installations and nowhere else in this State;
- provided that any person claiming a deduction under this paragraph shall be required to show in the person's return the name and general excise number of the person paying the tax on the amount deducted by the person.
- (C) In computing the tax levied under this paragraph against any federal cost-plus contractor, there shall be excluded from the gross income of the contractor so much thereof as fulfills the following requirements:
- (i) The gross income exempted shall constitute reimbursement of costs incurred for materials, plant, or equipment purchased from a taxpayer licensed under this chapter, not exceeding the gross proceeds of sale of the taxpayer on account of the transaction; and

- (ii) The taxpayer making the sale shall have certified to the department that the taxpayer is taxable with respect to the gross proceeds of the sale, and that the taxpayer elects to have the tax on gross income computed the same as upon a sale to the state government.
- (D) A person who, as a business or as a part of a business in which the person is engaged, erects, constructs, or improves any building or structure, of any kind or description, or makes, constructs, or improves any road, street, sidewalk, sewer, or water system, or other improvements on land held by the person (whether held as a leasehold, fee simple, or otherwise), upon the sale or other disposition of the land or improvements, even if the work was not done pursuant to a contract, shall be liable to the same tax as if engaged in the business of contracting, unless the person shows that at the time the person was engaged in making the improvements the person intended, and for the period of at least one year after completion of the building, structure, or other improvements the person continued to intend to hold and not sell or otherwise dispose of the land or improvements. The tax in respect of the improvements shall be measured by the amount of the proceeds of the sale or other disposition that is attributable to the erection, construction, or improvement of such building or structure, or the making, constructing, or improving of the road, street, sidewalk, sewer, or water system, or other improvements. The measure of tax in respect of the improvements shall not exceed the amount which would have been taxable had the work been performed by another, subject as in other cases to the deductions allowed by subparagraph (B). Upon the election of the taxpayer, this paragraph may be applied notwithstanding that the improvements were not made by the taxpayer, or were not made as a business or as a part of a business, or were made with the intention of holding the same. However, this paragraph shall not apply in respect of any proceeds that constitute or are in the nature of rent; all such gross income shall be taxable under paragraph (9); provided that insofar as the business of renting or leasing real property under a lease is taxed under section 237-16.5, the tax shall be levied by section 237-16.5.
- (4) Tax upon theaters, amusements, radio broadcasting stations, etc.
  - (A) Upon every person engaging or continuing within the State in the business of operating a theater, opera house, moving picture show, vaudeville, amusement park, dance hall, skating rink, radio broadcasting station, or any other place at which amusements are offered to the public, the tax shall be equal to four per cent of the gross income of the business, and in the case of a sale of an amusement at wholesale under section 237-4(a)(13), the tax shall be ~~subject to section 237-13.3.~~ one-half of one per cent of the gross income.
  - (B) The department may require that the person rendering an amusement at wholesale take from the licensed seller a certificate, in a form prescribed by the department, certifying that the sale is a sale at wholesale; provided that:
    - (i) Any licensed seller who furnishes a certificate shall be obligated to pay to the person rendering the amusement,

upon demand, the amount of additional tax that is imposed upon the seller whenever the sale is not at wholesale; and

- (ii) The absence of a certificate in itself shall give rise to the presumption that the sale is not at wholesale unless the person rendering the sale is exclusively rendering the amusement at wholesale.
- (5) Tax upon sales representatives, etc. Upon every person classified as a representative or purchasing agent under section 237-1, engaging or continuing within the State in the business of performing services for another, other than as an employee, there is likewise hereby levied and shall be assessed and collected a tax equal to four per cent of the commissions and other compensation attributable to the services so rendered by the person.
- (6) Tax on service business.
- (A) Upon every person engaging or continuing within the State in any service business or calling including professional services not otherwise specifically taxed under this chapter, there is likewise hereby levied and shall be assessed and collected a tax equal to four per cent of the gross income of the business, and in the case of a wholesaler under section 237-4(a)(10), the tax shall be equal to one-half of one per cent of the gross income of the business. [~~Notwithstanding the foregoing, a wholesaler under section 237-4(a)(10) shall be subject to section 237-13.3.~~]
  - (B) The department may require that the person rendering a service at wholesale take from the licensed seller a certificate, in a form prescribed by the department, certifying that the sale is a sale at wholesale; provided that:
    - (i) Any licensed seller who furnishes a certificate shall be obligated to pay to the person rendering the service, upon demand, the amount of additional tax that is imposed upon the seller whenever the sale is not at wholesale; and
    - (ii) The absence of a certificate in itself shall give rise to the presumption that the sale is not at wholesale unless the person rendering the sale is exclusively rendering services at wholesale.
  - (C) Where any person is engaged in the business of selling interstate or foreign common carrier telecommunication services within and without the State, other than as a home service provider, the tax shall be imposed on that portion of gross income received by a person from service which is originated or terminated in this State and is charged to a telephone number, customer, or account in this State notwithstanding any other state law (except for the exemption under section 237-23(a)(1)) to the contrary. If, under the Constitution and laws of the United States, the entire gross income as determined under this paragraph of a business selling interstate or foreign common carrier telecommunication services cannot be included in the measure of the tax, the gross income shall be apportioned as provided in section 237-21; provided that the apportionment factor and formula shall be the same for all persons providing those services in the State.
  - (D) Where any person is engaged in the business of a home service provider, the tax shall be imposed on the gross income received

or derived from providing interstate or foreign mobile telecommunications services to a customer with a place of primary use in this State when such services originate in one state and terminate in another state, territory, or foreign country; provided that all charges for mobile telecommunications services which are billed by or for the home service provider are deemed to be provided by the home service provider at the customer's place of primary use, regardless of where the mobile telecommunications originate, terminate, or pass through; provided further that the income from charges specifically derived from interstate or foreign mobile telecommunications services, as determined by books and records that are kept in the regular course of business by the home service provider in accordance with section 239-24, shall be apportioned under any apportionment factor or formula adopted under subparagraph (C). Gross income shall not include:

- (i) Gross receipts from mobile telecommunications services provided to a customer with a place of primary use outside this State;
- (ii) Gross receipts from mobile telecommunications services that are subject to the tax imposed by chapter 239;
- (iii) Gross receipts from mobile telecommunications services taxed under section 237-13.8; and
- (iv) Gross receipts of a home service provider acting as a serving carrier providing mobile telecommunications services to another home service provider's customer.

For the purposes of this paragraph, "charges for mobile telecommunications services", "customer", "home service provider", "mobile telecommunications services", "place of primary use", and "serving carrier" have the same meaning as in section 239-22.

- (7) Tax on insurance producers. Upon every person engaged as a licensed producer pursuant to chapter 431, there is hereby levied and shall be assessed and collected a tax equal to 0.15 per cent of the commissions due to that activity.
- (8) Tax on receipts of sugar benefit payments. Upon the amounts received from the United States government by any producer of sugar (or the producer's legal representative or heirs), as defined under and by virtue of the Sugar Act of 1948, as amended, or other Acts of the Congress of the United States relating thereto, there is hereby levied a tax of one-half of one per cent of the gross amount received; provided that the tax levied hereunder on any amount so received and actually disbursed to another by a producer in the form of a benefit payment shall be paid by the person or persons to whom the amount is actually disbursed, and the producer actually making a benefit payment to another shall be entitled to claim on the producer's return a deduction from the gross amount taxable hereunder in the sum of the amount so disbursed. The amounts taxed under this paragraph shall not be taxable under any other paragraph, subsection, or section of this chapter.
- (9) Tax on other business. Upon every person engaging or continuing within the State in any business, trade, activity, occupation, or calling not included in the preceding paragraphs or any other provisions of this chapter, there is likewise hereby levied and shall be as-

essed and collected, a tax equal to four per cent of the gross income thereof. In addition, the rate prescribed by this paragraph shall apply to a business taxable under one or more of the preceding paragraphs or other provisions of this chapter, as to any gross income thereof not taxed thereunder as gross income or gross proceeds of sales or by taxing an equivalent value of products, unless specifically exempted.”

SECTION 4. Section 237-16.5, Hawaii Revised Statutes, is amended by amending subsection (g) to read as follows:

“(g) After allocation under subsection (c), if necessary, the deduction under this section shall be allowed from the gross proceeds or gross income of the lessee received from its sublease in an amount calculated by multiplying the gross proceeds or gross income paid by the lessee to its lessor for the lease of the real property by [the following amount:

- (1) ~~In calendar year 1998, .125;~~
- (2) ~~In calendar year 1999, .25;~~
- (3) ~~In calendar year 2000, .375;~~
- (4) ~~In calendar year 2001, .50;~~
- (5) ~~In calendar year 2002, .625;~~
- (6) ~~In calendar year 2003, .75; and~~
- (7) ~~In calendar year 2004, and thereafter,] .875.~~

The amount calculated [under paragraphs (1) to (7)] shall be deducted by the lessee from the lessee’s total reported gross proceeds or gross income. The deduction allowed by this subsection may be taken by the fiscal and calendar year lessees.”

SECTION 5. Section 238-2.3, Hawaii Revised Statutes, is amended to read as follows:

“**§238-2.3 Imposition of tax on imported services or contracting; exemptions.** There is hereby levied an excise tax on the value of services or contracting as defined in section 237-6 that are performed by an unlicensed seller at a point outside the State and imported or purchased for use in this State. The tax imposed by this chapter shall accrue when the service or contracting as defined in section 237-6 is received by the importer or purchaser and becomes subject to the taxing jurisdiction of the State. The rates of the tax hereby imposed and the exemptions from the tax are as follows:

- (1) If the importer or purchaser is licensed under chapter 237 and is:
  - (A) Engaged in a service business or calling in which the imported or purchased services or contracting become identifiable elements, excluding overhead, of the services rendered by the importer or purchaser, and the gross income of the importer or purchaser is subject to the tax imposed under chapter 237 on services at the rate of one-half of one per cent [~~or the rate of tax imposed under section 237-13.3~~];
  - (B) A manufacturer importing or purchasing services or contracting that become identifiable elements, excluding overhead, of a finished or saleable product (including the container or package in which the product is contained) and the finished or saleable product is to be sold in a manner that results in a further tax on the manufacturer as a wholesaler, and not a retailer; or

- (C) A contractor importing or purchasing contracting that become identifiable elements, excluding overhead, of the finished work or project required under the contract; provided that:
  - (i) The gross proceeds derived by the contractor are subject to the tax under section 237-13(3) as a contractor; and
  - (ii) The contractor could have deducted amounts paid to the subcontractor under section 237-13(3)(B) if the subcontractor was subject to general excise tax under chapter 237;

there shall be no tax imposed on the value of the imported or purchased services or contracting; provided that if the manufacturer is also engaged in business as a retailer as classified under chapter 237, paragraph (2) shall apply to the manufacturer, but the director of taxation shall refund to the manufacturer, in the manner provided under section 231-23(c), that amount of tax that the manufacturer, to the satisfaction of the director, shall establish to have been paid by the manufacturer to the director with respect to services that have been used by the manufacturer for the purposes stated in this paragraph.

- (2) If the importer or purchaser is a person licensed under chapter 237 and is:
  - (A) Engaged in a service business or calling in which the imported or purchased services or contracting become identifiable elements, excluding overhead, of the services rendered by the importer or purchaser, and the gross income from those services when sold by the importer or purchaser is subject to the tax imposed under chapter 237 at the highest rate;
  - (B) A manufacturer importing or purchasing services or contracting that become identifiable elements, excluding overhead, of the finished or saleable manufactured product (including the container or package in which the product is contained) and the finished or saleable product is to be sold in a manner that results in a further tax under chapter 237 on the activity of the manufacturer as a retailer; or
  - (C) A contractor importing or purchasing services that become identifiable elements, excluding overhead, of the finished work or project required, under the contract, and where the gross proceeds derived by the contractor are subject to the tax under section 237-13(3) as a contractor,
    - the tax shall be one-half of one per cent of the value of the imported or purchased services or contracting; and
- (3) In all other cases, the importer or purchaser is subject to the tax at the rate of four per cent on the value of the imported or purchased services or contracting."

SECTION 6. Section 239-5, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) Notwithstanding subsection (a), the rate of tax upon the portion of the gross income of:

- (1) A public utility that consists of the receipts from the sale of its products or services to another public utility that resells such products or services shall be one-half of one per cent; or

- (2) A public utility engaged in the business of selling telecommunication services to a person defined in section 237-13(6)(C) who resells such products or services, shall be [as follows:
- (A) In calendar year 2000, 5.5 per cent;
  - (B) In calendar year 2001, 5.0 per cent;
  - (C) In calendar year 2002, 4.5 per cent;
  - (D) In calendar year 2003, 4.0 per cent;
  - (E) In calendar year 2004, 3.5 per cent;
  - (F) In calendar year 2005, 3.0 per cent;
  - (G) In calendar year 2006, 2.5 per cent; and
  - (H) In calendar year 2007, and thereafter, 0.5 per cent;] one-half of one per cent;

provided that the resale of the products, services, or telecommunication services is subject to taxation under this section or subject to taxation at the highest rate under section 237-13(6); and provided further that the public utility's exemption from real property taxes imposed by chapter 246 shall be reduced by the proportion that its public utility gross income described herein bears to its total public utility gross income. Whenever the public utility has other public utility gross income, the gross income from the sale of its products or services to another public utility or a person subject to section 237-13(6)(C) shall be included in applying subsection (a) in determining the rate of tax upon the other public utility gross income. The department shall have the authority to implement the tax rate changes in paragraph (2) by prescribing tax forms and instructions that require tax reporting and payment by deduction, allocation, or any other method to determine tax liability with due regard to the tax rate changes."

SECTION 7. Section 239-6, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

"(d) Notwithstanding subsections (a), (b), and (c), the rate of tax upon the portion of the gross income of a motor carrier which consists of the receipts from the sale of its products or services to a contractor shall be [as follows:

- (1) In calendar year 2000, 3.5 per cent;
- (2) In calendar year 2001, 3.0 per cent;
- (3) In calendar year 2002, 2.5 per cent;
- (4) In calendar year 2003, 2.0 per cent;
- (5) In calendar year 2004, 1.5 per cent;
- (6) In calendar year 2005, 1.0 per cent; and
- (7) In calendar year 2006, and thereafter, 0.5 per cent;] one-half of one per cent;

provided that there is a resale of the products or services and the resale by the contractor is subject to taxation at the highest rate under section 237-13; the gross income of the motor carrier is not divided as provided in the definition of "gross income" in section 239-2 for the tax imposed under this chapter or chapter 237; and the gross income of the motor carrier from the sale of its products or services to the contractor is not subject to a deduction under chapter 237 by the contractor; and in the case of services provided by the motor carrier, the benefit of the service passes to the customer of the contractor as an identifiable element of the contracting or service provided by the contractor and does not constitute overhead as defined in section 237-1.

[The department shall have the authority to implement the tax rate changes in paragraphs (1) through (7) by prescribing tax forms and instructions that require tax reporting and payment by deduction, allocation, or any other method to determine tax liability with due regard to the tax rate changes.]

For purposes of this subsection, “contractor” has the same meaning as defined in section 237-6.”

SECTION 8. Section 237-13.3, Hawaii Revised Statutes, is repealed.

SECTION 9. Statutory material to be repealed is bracketed and stricken.<sup>1</sup> New statutory material is underscored.

SECTION 10. This Act shall take effect on July 1, 2015.

(Approved May 1, 2015.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 23

S.B. NO. 1134

A Bill for an Act Relating to the Estate and Generation-Skipping Transfer Taxes.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Act 220, Session Laws of Hawaii 2012, enacted the Estate and Generation-Skipping Transfer Tax Reform Act, designated as chapter 236E, Hawaii Revised Statutes, which established the estate and generation skipping transfer taxes based on the valuations, deduction, and expenses allowed for federal transfer tax purposes but with tax rates independent of the federal transfer taxes. The purposes of this Act are (1) to make adopt<sup>1</sup> operative Internal Revenue Code sections as of December 31, 2014, and (2) to make technical nonsubstantive changes to ensure uniformity throughout.

SECTION 2. Section 236E-3, Hawaii Revised Statutes, is amended to read as follows:

**“§236E-3 Conformance to the Internal Revenue Code; general application.** For all decedents dying after January 25, 2012, as used in this chapter, “Internal Revenue Code” means subtitle B of the federal Internal Revenue Code of 1986, as amended as of December 31, [~~2013,~~] 2014, as it applies to the determination of gross estate, adjusted gross estate, federal taxable estate, and generation-skipping transfers, except those provisions of the Internal Revenue Code and federal public laws that, pursuant to this chapter, do not apply or are otherwise limited in application.”

SECTION 3. Section 236E-4, Hawaii Revised Statutes, is amended to read as follows:

**“§236E-4 Administration, adoption, and interrelationship of Internal Revenue Code and federal public laws with this chapter.** (a) Reference in provisions of the Internal Revenue Code that are operative in this State to provisions in the Internal Revenue Code that are not operative in this State shall be considered inoperative for the purposes of determining the gross estate, federal taxable estate, and generation-skipping transfers; provided that:

(1) References to time limits and other administrative provisions in subtitle F (sections 6001 to 7874) of the Internal Revenue Code con-



tained in operative sections of the Internal Revenue Code shall be deemed references to applicable provisions of this chapter or chapter 231 or 232, and in the absence of applicable provisions in this chapter or chapter 231 or 232, then to rules adopted by the director of taxation under subsection (b);

- (2) If inoperative provisions of the Internal Revenue Code have been codified in this chapter, the references shall be deemed references to the codified provisions in this chapter. Transitory and savings provisions in federal public laws amending sections of the Internal Revenue Code operative in this chapter shall be operative for the purposes of this chapter. Provisions in this chapter or chapter 231 or 232 in conflict with the Internal Revenue Code or transitory or savings provisions in federal public law shall control; and
- (3) Retroactive and prospective provisions in federal public laws amending sections of the Internal Revenue Code operative in this chapter affecting taxable years beginning or ending before the December 31~~[, 2011,]~~ date in section 236E-3 shall be operative for the purposes of this chapter.

(b) The director of taxation may adopt the rules and regulations promulgated by the United States Secretary of Treasury or a delegate of the Secretary relating to the provisions of subtitle B of the Internal Revenue Code operative in this chapter and any administrative provisions of subtitle F, sections 6001 to 7874, of the Internal Revenue Code not in conflict with or similar to provisions contained in this chapter or chapter 231 or 232 either by reference or by setting them forth in full; provided that any rule adopted pursuant to this subsection shall be adopted pursuant to chapter 91.

(c) The department shall submit to the legislature, no later than twenty days prior to the convening of each regular session, proposed legislation to amend section 236E-3 and any other sections and subsections of this chapter as may be necessary to adopt the Internal Revenue Code as it exists on ~~[January 2, 2013,]~~ the December 31 preceding the regular session. In submitting the proposed legislation, the department may provide that certain amendments made to the Internal Revenue Code by Congress during the preceding calendar year shall not be operative in this State or shall be limited in their operation. The department shall also prepare a digest and explanation of the amended provisions of the Internal Revenue Code recommended for operation, as well as those provisions that are recommended to be limited in their operation, or that are not recommended for operation, and shall submit with the proposed legislation required by this subsection the digest, explanation, and a statement of revenue impact of the adoption of the proposed legislation. In preparing the proposed legislation, digest, and explanation, the department may request the assistance of the legislative reference bureau.

It is the intent of the legislature to adopt all amendments made to the Internal Revenue Code during the calendar year preceding each regular session; provided that the legislature may choose to adopt none of the amendments to the Internal Revenue Code or may provide that certain amendments are limited in their operation.

All provisions of the Internal Revenue Code referred to in this chapter that apply to a husband and wife, spouses, or persons in a legal marital relationship shall be deemed to apply in this chapter to partners in a civil union with the same force and effect as if they were "husband and wife", "spouses", or other terms that describe persons in a legal marital relationship."

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act, upon its approval, shall apply to decedents dying or taxable transfers occurring after December 31, 2014.

(Approved May 1, 2015.)

**Note**

1. So in original.

**ACT 24**

S.B. NO. 1141

A Bill for an Act Relating to Transportation.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 261-12, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Powers to adopt. The director of transportation may perform such acts, issue and amend such orders, adopt such reasonable general or special rules and procedures, and establish such minimum standards, consistent with this chapter, as the director deems necessary to carry out this chapter and to perform the duties assigned thereunder, all commensurate with and for the purpose of protecting and insuring the general public interest and safety, the safety of persons operating, using, or traveling in aircraft, and the safety of persons and property on land or water, and developing and promoting aeronautics in the State. ~~[No rule of the director shall apply to airports or air navigation facilities owned or operated by the United States.]~~”

In furtherance of the duties assigned under this chapter, the director may adopt rules relating to:

- (1) Safety measures, requirements and practices in or about the airport premises;
- (2) The licensing and regulation of persons engaged in commercial activities in or about the airport premises;
- (3) The regulation of equipment and motor vehicles operated in or about the airport operational area;
- (4) Airport security measures or requirements, and designation of sterile passenger holding areas and operational areas;
- (5) The regulation of motor vehicles and traffic;
- (6) Any other matter relating to the health, safety and welfare of the general public and persons operating, using, or traveling in aircraft.”

SECTION 2. Statutory material to be repealed is bracketed and stricken.

SECTION 3. This Act, upon its approval, shall take effect on July 1, 2015.

(Approved May 1, 2015.)

**ACT 25**

S.B. NO. 1118

A Bill for an Act Making an Emergency Appropriation to the Department of Health for Hazard Evaluation and Emergency Response Preparedness.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is recommended by the governor for immediate passage in accordance with section 9 of article VII of the Constitution of the State of Hawaii.

SECTION 2. The department of health provides public health and environmental hazard evaluation and emergency response services twenty-four hours per day, seven days a week. These resources have been deployed to several high profile events such as Hurricane Iselle, the Puna lava flows, the Tohoku earthquake and tsunami, and the Honolulu Harbor molasses spill.

Services are funded by the environmental response revolving fund. The fund is capitalized primarily by the state environmental response, energy, and food security tax. Five cents are deposited in the environmental response revolving fund from the \$1.05 tax assessed on each barrel of petroleum product sold by a distributor to any retail dealer or end user of petroleum product. However, the environmental response revolving fund balance is dangerously low due to reduced consumption of crude oil in the State, while demand for public health and environmental hazard evaluation and emergency response has increased. Without adequate capitalization, the department of health will be forced to begin the process of laying off program staff before the end of fiscal year 2015.

The purpose of this Act is to make an emergency appropriation for fiscal year 2014-2015 to preserve public health by continuing environmental hazard evaluation and emergency response preparedness.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$800,000 or so much thereof as may be necessary for fiscal year 2014-2015 to be deposited in to the environmental response revolving fund established under section 128D-2, Hawaii Revised Statutes, for the purpose of hazard evaluation and emergency response preparedness.

SECTION 4. There is appropriated out of the environmental response revolving fund the sum of \$800,000 or so much thereof as may be necessary for fiscal year 2014-2015 to be used for the purpose of hazard evaluation and emergency response preparedness.

The sum appropriated shall be expended by the department of health for the purposes of this Act.

SECTION 5. This Act shall take effect upon its approval.

(Approved May 1, 2015.)

ACT 26

S.B. NO. 1098

A Bill for an Act Relating to Libraries.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 312, Hawaii Revised Statutes, sets forth the duties and responsibilities of the board of education. This Act makes housekeeping amendments that will more accurately reflect long-standing board of education and Hawaii state public library system practice. These duties and responsibilities, which were initially assigned to the board of education, have been delegated to the state librarian and the Hawaii state public library system for many decades.

SECTION 2. Chapter 312, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§312- State librarian; appointment; duties. The state librarian shall collect, purchase, receive gifts of, and otherwise acquire all books and other

publications proper for libraries, and arrange, classify, and catalog the same; provide for their safekeeping; expend moneys appropriated by the legislature and otherwise acquired for the development, use, support, and maintenance of libraries; provide ways and means for placing libraries within reach of all residents throughout the State and particularly of all public and private school children; provide and maintain branch libraries, offices, or places for the distribution of books and periodicals throughout the State; enter into contracts as may be necessary to carry into effect the general duties herein imposed; appoint such officers and employees as deemed necessary, all of whom shall be under the authority of the governor for purposes of chapters 76, 78, 89, and 89C; and adopt rules for the management and use of libraries, and for the control of the property under its management.”

SECTION 3. Section 312-1, Hawaii Revised Statutes, is amended to read as follows:

“**§312-1 Duties of the board of education.** The board of education shall care for, manage, and control all property set apart, donated, loaned to, or in any manner acquired for the use of libraries; receive, care for, expend, and account for any money which may be received for the purpose of erecting buildings for libraries or for any other purposes of the libraries[; collect, purchase, receive gifts of, and otherwise acquire all books and other publications proper for libraries, and arrange, classify, and catalogue the same; provide for their safekeeping; expend moneys appropriated by the legislature and otherwise acquired for the development, use, support, and maintenance of libraries; provide ways and means for placing libraries within reach of all residents throughout the State and particularly of all public and private school children; provide and maintain branch libraries, offices, or places for the distribution of books and periodicals throughout the State; make such contracts as may be necessary to carry into effect the general duties herein imposed; appoint such officers and employees as it deems necessary; and make rules for the management and use of libraries, and for the control of the property under its management].”

SECTION 4. Section 312-2, Hawaii Revised Statutes, is amended to read as follows:

“**§312-2 Powers of board; special fund.** The board of education may:

- (1) Except as provided in section 312-3.9, make arrangements or contracts as are approved by the governor, with any county, city, association, society, person, or persons, for the purpose of benefiting the libraries and increasing their facilities and use;
- (2) Subject to section 26-12, enter into such arrangement or contract as is approved by the governor, with the Friends of the Library of Hawaii, affiliates of the Friends of the Library of Hawaii, and any tax-exempt nonprofit organization recognized under Section 501(c)(3) of the Internal Revenue Code whose primary purpose is to support a state library branch for the purpose of obtaining the use of the books and property and income of the Friends of the Library of Hawaii, its affiliates, and such tax-exempt nonprofit organizations;
- (3) Cooperate by exchange and otherwise with libraries now existing or hereafter to be formed;
- (4) Receive, use, manage, or invest moneys or other property, real, personal, or mixed which may be given, bequeathed, devised, or in any

- manner received from sources other than the legislature or any federal appropriation for any or all purposes of the libraries;
- (5) Deposit with the director of finance in a special fund all moneys donated to the board for library services;
  - (6) Unless otherwise provided for by the terms and conditions of the donation, convert, at such time as the board may at its sole discretion determine, any or all donations of property, real, personal, or mixed, into money to be deposited into the special fund; and
  - (7) Expend the moneys in the special fund in accordance with the terms and conditions of each donation for the purposes of the libraries.

The board shall be the trustee of the special fund and all moneys therein shall be deemed to have been appropriated to the use and for the purposes of the ~~board~~ Hawaii state public library system in providing library services. Nothing in this section shall be construed to limit the powers and duties of the board hereinbefore expressed, or to empower the board to obligate the State financially in any sum which shall not have been appropriated by the legislature for the use of the board."

SECTION 5. Section 312-4.6, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) The ~~board of education~~ state librarian may charge and add a fee to any amount due in accordance with ~~its~~ the state librarian's duties and powers under section ~~312-4~~ 312-\_\_\_ for:

- (1) Any cost or expense incurred by the Hawaii state public library system as a result of any action taken to enforce the collection of costs of lost books and any overdue fines and fees charged to that patron after the public library system has mailed written notice demanding payment and advising that continued failure to pay the amount due may result in collection action being taken, including the imposition of cost-recovery fees, not to exceed \$10, pursuant to this section. Any cost-recovery fee charged against the patron for costs, fees, and other charges may include collection agency fees, attorneys' fees, court filing fees, and similar fees incurred by the Hawaii state public library system in connection with the collection action;
- (2) Hawaii public library system sponsored seminars or workshops, including educational materials in various media format; and
- (3) Research and reference materials published on magnetic media, CD-ROM, or other ~~machine-readable~~ digital or electronic form."

SECTION 6. Section 312-4.6, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

"(d) The ~~board of education~~ state librarian shall prescribe the procedures relating to:

- (1) The charging of fees;
- (2) The waiver of fees;
- (3) The documents, materials, and services for which fees may be charged;
- (4) The amount of the fees that may be assessed and charged to a library patron;
- (5) The accumulated amount of lost library material costs, fines, or fees;
- (6) The period of time that the lost library materials costs, fines, or fees must remain unpaid before they may be referred to a collection

agency for collection pursuant to rules adopted under chapter 91;  
and

- (7) The notification of persons with delinquent accounts of the additional fees to be charged by the collection agency prior to the referral to the collection agency.”

SECTION 7. Section 312-5, Hawaii Revised Statutes, is amended to read as follows:

“§312-5 Annual report to the governor. Annually during the month of July but as of June 30 preceding, the ~~[board of education]~~ state librarian shall report to the governor the moneys received from all sources and expended for all purposes during the preceding year, and any other matters pertaining to the libraries which it may deem important, or the governor may require.”

SECTION 8. Section 312-21, Hawaii Revised Statutes, is amended by amending subsection (a) as follows:

- “(a) The ~~[board of education, through the]~~ state librarian~~;~~ shall:
- (1) Provide for the establishment and ongoing operation of a fee for enhanced service program, which includes but is not limited to the planning, programming, and budgeting of operating, research and development, and capital investment programs; and
  - (2) Administer a special fund to be known as the “library fee for enhanced services special fund”.”

SECTION 9. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

SECTION 10. This Act shall take effect upon its approval.  
(Approved May 1, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 27**

S.B. NO. 729

A Bill for an Act Relating to Advanced Practice Registered Nurses.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that in Hawaii, advanced practice registered nurses are recognized as primary care providers and should be permitted to practice to the full extent of their education and training. In recognition of this, Act 232, Session Laws of Hawaii 2013, added advanced practice registered nurses to the list of mental health professionals qualified to diagnose mental illness under section 334-59, Hawaii Revised Statutes, relating to emergency hospitalization. However, the legislature further finds that references to advanced practice registered nurses were added only to certain provisions of section 334-59, Hawaii Revised Statutes. Additional amendments relating to advanced practice registered nurses under section 334-59, Hawaii Revised Statutes, are therefore necessary for consistency.

The legislature additionally finds that advanced practice registered nurses are fully qualified to determine a patient's mental health status and whether the person poses a safety risk and should be authorized to do so under the State's involuntary hospitalization statutes. Amendments relating to advanced practice registered nurses under sections 334-60.3 and 334-60.5, Hawaii Revised Statutes, are therefore necessary.

Accordingly, the purpose of this Act is to clarify the role of advanced practice registered nurses in sections of the Hawaii Revised Statutes relating to emergency hospital admission and involuntary hospitalization.

SECTION 2. Section 334-59, Hawaii Revised Statutes, is amended by amending subsections (a) to (d) to read as follows:

"(a) Initiation of proceedings. An emergency admission may be initiated as follows:

- (1) If a law enforcement officer has reason to believe that a person is imminently dangerous to self or others, the officer shall call for assistance from the mental health emergency workers designated by the director. Upon determination by the mental health emergency workers that the person is imminently dangerous to self or others, the person shall be transported by ambulance or other suitable means, to a licensed psychiatric facility for further evaluation and possible emergency hospitalization. A law enforcement officer may also take into custody and transport to any facility designated by the director any person threatening or attempting suicide, or may take into custody and transport to any designated mental health program, any person subject to an assisted community treatment order, issued pursuant to part VIII of this chapter, for further evaluation and possible emergency hospitalization. The officer shall make application for the examination, observation, and diagnosis of the person in custody. The application shall state or shall be accompanied by a statement of the circumstances under which the person was taken into custody and the reasons therefor which shall be transmitted with the person to a physician, advanced practice registered nurse, or psychologist at the facility, or to a licensed psychiatrist at a designated mental health program.
- (2) Upon written or oral application of any licensed physician, advanced practice registered nurse, psychologist, attorney, member of the clergy, health or social service professional, or any state or county employee in the course of employment, a judge may issue an ex parte order orally, but shall reduce the order to writing by the close of the next court day following the application, stating that there is probable cause to believe the person is mentally ill or suffering from substance abuse or is imminently dangerous to self or others and in need of care or treatment, or both, giving the findings upon which the conclusion is based, and directing that a law enforcement officer or other suitable individual take the person into custody and deliver the person to the nearest facility designated by the director for emergency examination and treatment. The ex parte order shall be made a part of the patient's clinical record. If the application is oral, the person making the application shall reduce the application to writing and shall submit the same by noon of the next court day to the judge who issued the oral ex parte order. The written application shall be executed subject to the penalties of perjury but need not be sworn to before a notary public.

- (3) Any licensed physician, advanced practice registered nurse, physician assistant, or psychologist who has examined a person and has reason to believe the person is:

- (A) Mentally ill or suffering from substance abuse;
- (B) Imminently dangerous to self or others; and
- (C) In need of care or treatment;

may direct transportation, by ambulance or other suitable means, to a licensed psychiatric facility for further evaluation and possible emergency hospitalization. A licensed physician, an advanced practice registered nurse, or physician assistant may administer treatment as is medically necessary, for the person's safe transportation. A licensed psychologist may administer treatment as is psychologically necessary.

(b) Emergency examination. A patient who is delivered for emergency examination and treatment to a facility designated by the director shall be examined by a licensed physician or advanced practice registered nurse without unnecessary delay, and may be given such treatment as is indicated by good medical practice. A psychiatrist or psychologist may further examine the patient to diagnose the presence or absence of a mental disorder, assess the risk that the patient may be dangerous to self or others, and assess whether or not the patient needs to be hospitalized.

(c) Release from emergency examination. If the physician or advanced practice registered nurse who performs the emergency examination, in consultation with a psychologist if applicable, concludes that the patient need not be hospitalized, the patient shall be discharged immediately unless the patient is under criminal charges, in which case the patient shall be returned to the custody of a law enforcement officer.

(d) Emergency hospitalization. If the physician, advanced practice registered nurse, or ~~the~~ psychologist who performs the emergency examination has reason to believe that the patient is:

- (1) Mentally ill or suffering from substance abuse;
- (2) Imminently dangerous to self or others; and
- (3) In need of care or treatment, or both;

the physician, advanced practice registered nurse, or ~~the~~ psychologist may direct that the patient be hospitalized on an emergency basis or cause the patient to be transferred to another psychiatric facility for emergency hospitalization, or both. The patient shall have the right immediately upon admission to telephone the patient's guardian or a family member including a reciprocal beneficiary, or an adult friend and an attorney. If the patient declines to exercise that right, the staff of the facility shall inform the adult patient of the right to waive notification to the family including a reciprocal beneficiary, and shall make reasonable efforts to ensure that the patient's guardian or family including a reciprocal beneficiary, is notified of the emergency admission but the patient's family including a reciprocal beneficiary, need not be notified if the patient is an adult and requests that there be no notification. The patient shall be allowed to confer with an attorney in private."

SECTION 3. Section 334-60.3, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Any person may file a petition alleging that a person located in the county meets the criteria for commitment to a psychiatric facility. The petition shall be executed subject to the penalties of perjury but need not be sworn to before a notary public. The attorney general, the attorney general's deputy, special deputy, or appointee designated to present the case shall assist the petitioner to



state the substance of the petition in plain and simple language. The petition may be accompanied by a certificate of the licensed physician, advanced practice registered nurse, or psychologist who has examined the person within two days before submission of the petition, unless the person whose commitment is sought has refused to submit to medical or psychological examination, in which case the fact of refusal shall be alleged in the petition. The certificate shall set forth the signs and symptoms relied upon by the physician, advanced practice registered nurse, or psychologist to determine the person is in need of care or treatment, or both, and whether or not the person is capable of realizing and making a rational decision with respect to the person's need for treatment. If the petitioner believes that further evaluation is necessary before commitment, the petitioner may request such further evaluation."

SECTION 4. Section 334-60.5, Hawaii Revised Statutes, is amended by amending subsection (g) to read as follows:

"(g) No individual may be found to require treatment in a psychiatric facility unless at least one physician, advanced practice registered nurse, or psychologist who has personally examined the individual testifies in person at the hearing. This testimony may be waived by the subject of the petition. If the subject of the petition has refused to be examined by a licensed physician, advanced practice registered nurse, or psychologist, the subject may be examined by a court-appointed licensed physician, advanced practice registered nurse, or psychologist. If the subject refuses and there is sufficient evidence to believe that the allegations of the petition are true, the court may make a temporary order committing the subject to a psychiatric facility for a period of not more than five days for the purpose of a diagnostic examination and evaluation. The subject's refusal shall be treated as a denial that the subject is mentally ill or suffering from substance abuse. Nothing in this section, however, shall limit the individual's privilege against self-incrimination."

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect upon its approval; provided that the amendments made to section 334-59, Hawaii Revised Statutes, by section 2 of this Act shall not be repealed when section 334-59, Hawaii Revised Statutes, is reenacted on July 1, 2020, pursuant to section 24 of Act 221, Session Laws of Hawaii 2013.

(Approved May 1, 2015.)

A Bill for an Act Relating to Dentistry.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 448-8.5, Hawaii Revised Statutes, is amended to read as follows:

"~~[[§448-8.5]]~~ **Continuing education requirements.** The board shall adopt a program of continuing education for dentists and a program of continuing education for dental hygienists. After January 1, 2002, at the time of reregistration of license as a dentist or dental hygienist, each licensee shall present to

the board evidence of compliance with the program of continuing education applicable to their profession. In addition to any other continuing education requirement adopted by the board, after January 1, 2016, each licensee who is a dentist shall present to the board evidence of having completed at least three hours of ethics training during the previous year. Failure to reregister and present evidence of compliance shall constitute a forfeiture of license, which may be restored only upon written application therefor and payment to the board of a restoration fee.”

SECTION 2. Section 448-17, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) In addition to any other actions authorized by law, the board may suspend or revoke any license issued under this chapter and may fine a licensee for any cause authorized by law, including but not limited to the following:

- (1) Fraud in procuring license;
- (2) Habitual intoxication or addiction to the use of drugs;
- (3) Wilful or repeated violations of the rules of the department of health;
- (4) Acceptance of a fee for service as a witness, without the knowledge of the court, in addition to the fee allowed by the court;
- (5) Division of fees or agreeing to split or divide the fees received for dental services with any person for bringing or referring a patient;
- (6) Assisting in the care or treatment of a patient, without the knowledge of the patient or the patient’s legal representative;
- (7) Employing, procuring, inducing, aiding, or abetting a person not licensed as a dentist to engage in the practice of dentistry;
- (8) Making any misrepresentations or false promises, directly or indirectly, to influence, persuade, or induce dental patronage;
- (9) Professional connection or association with, or lending one’s name to another for, the illegal practice of dentistry by another, or professional connection or association with any person, firm, or corporation holding oneself, themselves, or itself out in any manner contrary to this chapter;
- (10) By false or fraudulent representations, obtaining or seeking to obtain practice or money or any other thing of value;
- (11) Practicing, either in the State or elsewhere, under a name other than one’s own;
- (12) Any other improper, unprofessional, or dishonorable conduct in the practice of dentistry;
- (13) Violation of section 447-4; ~~and~~
- (14) False or misleading advertising not otherwise provided for under this subsection, including:
  - (A) Advertising to the public as practicing a dental specialty in which the dentist has not successfully completed the education specified for the dental specialty as defined by the American Dental Association; and
  - (B) Using the following words or phrases in advertising when the dentist has not successfully completed the education specified for the dental specialty as defined by the American Dental Association:
    - (i) “Dental public health”;
    - (ii) “Endodontics”;
    - (iii) “Oral and maxillofacial pathology”;
    - (iv) “Oral and maxillofacial radiology”;

- (v) "Oral and maxillofacial surgery";
- (vi) "Orthodontics and dentofacial orthopedics";
- (vii) "Pediatric dentistry";
- (viii) "Periodontics"; or
- (ix) "Prosthodontics";

provided that this paragraph shall not apply to a dentist who advertises as being qualified in a recognized specialty area of dental practice so long as each advertisement, regardless of form, contains a prominent disclaimer that the dentist is a general dentist or that the specialty services will be provided by a general dentist[-]; and

- (15) Conduct or practice contrary to recognized standards of ethics of the profession, as adopted by the American Dental Association or the Hawaii Dental Association."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved May 1, 2015.)

**ACT 29**

S.B. NO. 14

A Bill for an Act Relating to the Residential Landlord-Tenant Code.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that security deposits can help ensure tenants will timely pay their rent and maintain their rental property in an appropriate manner. The legislature further finds that security deposits, as defined in the residential landlord-tenant code under chapter 521, Hawaii Revised Statutes, can only be used by a landlord for accidental or intentional damages, cleaning the unit, or compensating for damages caused by a tenant who wrongfully quits the unit. However, the legislature also finds that landlords may rent their property to tenants who then take on obligations, such as sewer, water, and electricity expenses, that, if unpaid, could affect the property.

Accordingly, the purpose of this Act is to amend the residential landlord-tenant code to allow use of the security deposit for specific unpaid charges when a tenant moves out, including:

- (1) Replacing keys, including key fobs, parking cards, garage door openers, and mail box keys; and
- (2) Paying for utility service provided by the landlord under the rental agreement but not included in the rent.

SECTION 2. Section 521-8, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

"Utility service" means service for electricity, water, sewer, and natural gas."

SECTION 3. Section 521-44, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) As used in this section "security deposit" means money deposited by or for the tenant with the landlord to be held by the landlord to:

- (1) Remedy tenant defaults for accidental or intentional damages resulting from failure to comply with section 521-51, for failure to pay rent due, or for failure to return all keys, including key fobs, parking cards, garage door openers, and mail box keys, furnished by the landlord at the termination of the rental agreement;
- (2) Clean the dwelling unit or have it cleaned at the termination of the rental agreement so as to place the condition of the dwelling unit in as fit a condition as that which the tenant entered into possession of the dwelling unit;
- (3) Compensate for damages caused by a tenant who wrongfully quits the dwelling unit; ~~and~~
- (4) Compensate for damages under subsection (b) caused by any pet animal allowed to reside in the premises pursuant to the rental agreement~~[-]; and~~
- (5) Compensate the landlord for moneys owed by the tenant under the rental agreement for utility service provided by the landlord but not included in the rent."

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on November 1, 2015.

(Approved May 5, 2015.)

## ACT 30

S.B. NO. 388

A Bill for an Act Relating to Police Departments.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that requiring county police departments to post their domestic violence policies, officer-involved domestic violence policies, and standards of conduct online will offer assurances to the public that there are policies in place for responding to these incidents. Posting these policies online will bring additional accountability and transparency to the police departments and ensure that police departments properly enforce the State's domestic violence laws, regardless of the identity of the perpetrator.

The purpose of this Act is to require each county police department to post its policies relating to domestic violence, officer-involved domestic violence, and standards of conduct on its official website.

SECTION 2. Chapter 52D, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**"§52D- Domestic violence policies; standard of conduct policies.** Each county police department shall post its policies relating to domestic violence, officer-involved domestic violence, and standards of conduct on its official website."

SECTION 3. New statutory material is underscored.<sup>1</sup>

SECTION 4. This Act shall take effect upon its approval.

(Approved May 5, 2015.)

### Note

1. Edited pursuant to HRS §23G-16.5.

A Bill for an Act Related to Agriculture.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that Hawai'i's traditional farming systems, such as loko i'a (fishponds), māla (cultivated gardens), and lo'i (irrigated patches), were important agricultural technologies that once sustained a thriving and robust island community. The legislature further finds that these traditional Hawaiian farming systems still play a critical role in Hawai'i and should be encouraged to promote greater self-sufficiency, crop diversity, and food security. Moreover, traditional Hawaiian crops like kalo, 'uala (sweet potato), limu (various seaweeds), 'awa, hō'i'o (large native fern), and 'olena (turmeric) that were cultivated using these traditional Hawaiian farming techniques continue to be important agricultural products for food, medicine, and cultural practices today.

Prioritizing traditional agricultural techniques such as traditional Hawaiian farming is increasingly viewed as good policy. The United Nations Commission on Trade and Development urges nation states to support the development of sustainable small-scale farms and traditional farming systems to achieve food security, particularly in light of climate change. Supporting traditional farming is also consistent with the recommendations of the taro security and purity task force's 2010 legislative report *E ola hou ke kalo; ho'i hou ka 'āina lē'ia: The taro lives; abundance returns to the land*. The report emphasizes the need to invest in traditional farming and crops to perpetuate culture, and to support disaster preparedness and food security in our islands.

The legislature finds that article XI, section 3, of the Constitution of the State of Hawai'i requires the legislature to provide standards and criteria to increase Hawai'i's agricultural self-sufficiency.

The purpose of this Act is to update the State's agricultural planning statute to add the growth and development of traditional Hawaiian farming systems and traditional Hawaiian crops, as well as the growth and development of small-scale farms, as agricultural objectives of the State.

SECTION 2. Section 226-7, Hawai'i Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) To achieve the agriculture objectives, it shall be the policy of this State to:

- (1) Establish a clear direction for Hawaii's agriculture through stakeholder commitment and advocacy.
- (2) Encourage agriculture by making the best use of natural resources.
- (3) Provide the governor and the legislature with information and options needed for prudent decision-making for the development of agriculture.
- (4) Establish strong relationships between the agricultural and visitor industries for mutual marketing benefits.
- (5) Foster increased public awareness and understanding of the contributions and benefits of agriculture as a major sector of Hawaii's economy.
- (6) Seek the enactment and retention of federal and state legislation that benefits Hawaii's agricultural industries.
- (7) Strengthen diversified agriculture by developing an effective promotion, marketing, and distribution system between Hawaii's food producers and consumers in the State, nation, and world.

- (8) Support research and development activities that strengthen economic productivity in agriculture, stimulate greater efficiency, and enhance the development of new products and agricultural by-products.
- (9) Enhance agricultural growth by providing public incentives and encouraging private initiatives.
- (10) Assure the availability of agriculturally suitable lands with adequate water to accommodate present and future needs.
- (11) Increase the attractiveness and opportunities for an agricultural education and livelihood.
- (12) In addition to the State's priority on food, expand Hawaii's agricultural base by promoting growth and development of flowers, tropical fruits and plants, livestock, feed grains, forestry, food crops, aquaculture, and other potential enterprises.
- (13) Promote economically competitive activities that increase Hawaii's agricultural self-sufficiency, including the increased purchase and use of Hawaii-grown food and food products by residents, businesses, and governmental bodies as defined under section 103D-104.
- (14) Promote and assist in the establishment of sound financial programs for diversified agriculture.
- (15) Institute and support programs and activities to assist the entry of displaced agricultural workers into alternative agricultural or other employment.
- (16) Facilitate the transition of agricultural lands in economically non-feasible agricultural production to economically viable agricultural uses.
- (17) Perpetuate, promote, and increase use of traditional Hawaiian farming systems, such as the use of loko i'a, māla, and irrigated lo'i, and growth of traditional Hawaiian crops, such as kalo, 'uala, and 'ulu.
- (18) Increase and develop small-scale farms."

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved May 5, 2015.)

## ACT 32

S.B. NO. 589

A Bill for an Act Relating to Insurance.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that residents and businesses in the Puna district on the island of Hawaii have been severely impacted by the June 27, 2014, Puu Oo lava flow. Part of the impact is due to the imposition of a moratorium on the sale of new insurance policies in certain areas in the Puna district.

Accordingly, the purpose of this Act is to allow some homeowners who have had continuous insurance in lava zone areas that the mayor of the county of Hawaii has declared to be in a state of emergency to:

- (1) Have those insurance policies renewed;
- (2) Provide for continued insurance coverage for homeowners who wish to sell their homes;

- (3) Provide the opportunity for insurance coverage for new buyers of an insured property; and
- (4) Allow a homeowner who had no prior insurance to purchase insurance coverage from the Hawaii Property Insurance Association, with the effective date of the coverage being no longer than six months from the date of the offer.

The legislature notes that upon this Act's enactment, the Hawaii Property Insurance Association will lift its moratorium.

SECTION 2. Chapter 431, Hawaii Revised Statutes, is amended by adding two new sections to article 10E to be appropriately designated and to read as follows:

**“§431:10E- Lava zone defined.** As used in this article, “lava zone” means a volcanic hazard zone identified by the United States Geological Survey on the island of Hawaii.

**§431:10E- Provisions for properties in lava zones in the county of Hawaii.**

(a) Where the mayor of the county of Hawaii has issued a proclamation declaring the existence of a state of emergency due to the threat of imminent disaster from a lava flow in a lava zone, the total number (rounded to the nearest whole number) of property insurance policies that an insurer may non-renew in a lava zone shall be limited for each calendar year to five per cent of the total number of covered policies of the insurer in force in that lava zone.

(b) Notwithstanding subsection (a), an insurer may cancel or non-renew a property insurance policy where:

- (1) Premium payments for the policy are not made after reasonable demand therefor; or
- (2) The commissioner determines the financial soundness of the insurer would be impaired.”

SECTION 3. Chapter 431, Hawaii Revised Statutes, is amended by adding a new section to article 21 to be appropriately designated and to read as follows:

**“§431:21- Issuance of new policies; removal of moratorium.** If residential property insurance is unavailable due to a moratorium on the issuance of policies on property situated in lava zones where the mayor of the county of Hawaii has issued a proclamation declaring a state of emergency exists due to the threat of imminent disaster from a lava flow, the association shall remove its moratorium. Upon the moratorium's removal, the association shall offer new policies and may provide a waiting period of no longer than six months for the policy coverage to take effect; provided that the residential property in the lava zone does not have current insurance.”

SECTION 4. New statutory material is underscored.<sup>1</sup>

SECTION 5. This Act shall take effect upon its approval.

(Approved May 5, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

A Bill for an Act Relating to Insurance.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that insurance recoupment occurs when a health insurance plan pays benefits to providers and later seeks reimbursement for the benefits, after the health insurance plan determines that the benefits were paid out in error. Although health care providers in Hawaii have a time limit in which to submit claims to health insurance plans, there is no similar time limit that prevents health insurance plans from attempting to recoup funds previously paid to health care providers. There is also no time limitation for health care providers to return previously paid funds that the providers identified as erroneously paid.

The legislature further finds that pursuant to Senate Concurrent Resolution No. 129, S.D. 1, Regular Session of 2013, a working group was convened to study insurance recoupment, although the working group was not able to recommend proposed legislation based on insurance recoupment at that time. However, the legislature finds that there have been recent reports of new physician contracts being issued that provide for no time limits in recoupment efforts in cases of suspected or unintentional fraud, in spite of a six-year state statute of limitations on fraud. Accordingly, these events lead the legislature to conclude that additional legislative scrutiny of insurance recoupment is needed.

The purpose of this Act is to:

- (1) Require an entity to send written notice to a health care provider at least thirty calendar days prior to initiating any recoupment or offset demand efforts; and
- (2) Prohibit an entity from initiating any recoupment or offset efforts more than eighteen months after an initial claim payment was received by a health care provider, with specific exceptions.

SECTION 2. Section 431:13-108, Hawaii Revised Statutes, is amended to read as follows:

**“§431:13-108 Reimbursement for accident and health or sickness insurance benefits.** (a) This section applies to accident and health or sickness [~~insurance providers~~] insurers issuing comprehensive medical plans under part I of article 10A of chapter 431, mutual benefit societies under article 1 of chapter 432, dental service corporations under chapter 423, and health maintenance organizations under chapter 432D.

(b) Unless shorter payment timeframes are otherwise specified in a contract, an entity shall reimburse a claim that is not contested or denied not more than thirty calendar days after receiving the claim filed in writing, or fifteen calendar days after receiving the claim filed electronically, as appropriate.

(c) If a claim is contested or denied or requires more time for review by an entity, the entity shall notify the health care provider in writing or electronically not more than fifteen calendar days after receiving a claim filed in writing, or not more than seven calendar days after receiving a claim filed electronically, as appropriate. The notice shall identify the contested portion of the claim and the specific reason for contesting or denying the claim, and may request additional information; provided that a notice shall not be required if the entity provides a reimbursement report containing the information, at least monthly, to the provider.



(d) Every entity shall implement and make accessible to providers a system that provides verification of enrollee eligibility under plans offered by the entity.

(e) If information received pursuant to a request for additional information is satisfactory to warrant paying the claim, the claim shall be paid not more than thirty calendar days after receiving the additional information in writing, or not more than fifteen calendar days after receiving the additional information filed electronically, as appropriate.

(f) Payment of a claim under this section shall be effective upon the date of the postmark of the mailing of the payment, or the date of the electronic transfer of the payment, as applicable.

(g) Notwithstanding section 478-2 to the contrary, interest shall be allowed at a rate of fifteen per cent a year for money owed by an entity on payment of a claim exceeding the applicable time limitations under this section, as follows:

- (1) For an uncontested claim:
  - (A) Filed in writing, interest from the first calendar day after the thirty-day period in subsection (b); or
  - (B) Filed electronically, interest from the first calendar day after the fifteen-day period in subsection (b);
- (2) For a contested claim filed in writing:
  - (A) For which notice was provided under subsection (c), interest from the first calendar day thirty days after the date the additional information is received; or
  - (B) For which notice was not provided within the time specified under subsection (c), interest from the first calendar day after the claim is received; or
- (3) For a contested claim filed electronically:
  - (A) For which notice was provided under subsection (c), interest from the first calendar day fifteen days after the additional information is received; or
  - (B) For which notice was not provided within the time specified under subsection (c), interest from the first calendar day after the claim is received.

The commissioner may suspend the accrual of interest if the commissioner determines that the entity's failure to pay a claim within the applicable time limitations was the result of a major disaster or of an unanticipated major computer system failure.

(h) Any interest that accrues in a sum of at least \$2 on a delayed clean claim in this section shall be automatically added by the entity to the amount of the unpaid claim due the provider.

(i) Prior to initiating any recoupment or offset demand efforts, an entity shall send a written notice to a health care provider at least thirty calendar days prior to engaging in the recoupment or offset efforts. The following information shall be prominently displayed on the written notice:

- (1) The patient's name;
- (2) The date health care services were provided;
- (3) The payment amount received by the health care provider;
- (4) The reason for the recoupment or offset; and
- (5) The telephone number or mailing address through which a health care provider may initiate an appeal along with the deadline for initiating an appeal. Any appeal of a recoupment or offset shall be made by a health care provider within sixty days after the receipt of the written notice.

(j) An entity shall not initiate recoupment or offset efforts more than eighteen months after the initial claim payment was received by the health care provider or health care entity; provided that this time limit shall not apply to the initiation of recoupment or offset efforts: to claims for self-insured employer groups; for services rendered to individuals associated with a health care entity through a national participating provider network; or for claims for medicaid, medicare, medigap, or other federally financed plan; provided that this section shall not be construed to prevent entities from resolving claims that involve coordination of benefits, subrogation, or preexisting condition investigations, or that involve third-party liability beyond the eighteen month time limit; provided further that in cases of fraud or material misrepresentation, an entity shall not initiate recoupment or offset efforts more than seventy-two months after the initial claim payment was received by the health care provider or health care entity.

~~(j)~~ (k) In determining the penalties under section 431:13-201 for a violation of this section, the commissioner shall consider:

- (1) The appropriateness of the penalty in relation to the financial resources and good faith of the entity;
- (2) The gravity of the violation;
- (3) The history of the entity for previous similar violations;
- (4) The economic benefit to be derived by the entity and the economic impact upon the health care facility or health care provider resulting from the violation; and
- (5) Any other relevant factors bearing upon the violation.

~~(j)~~ (l) As used in this section:

“Acute care hospital” means a hospital that provides inpatient medical care and other related services for surgery or acute medical conditions or injuries (usually for a short term illness or condition).

“Claim” means any claim, bill, or request for payment for all or any portion of health care services provided by a health care provider of services submitted by an individual or pursuant to a contract or agreement with an entity, using the entity’s standard claim form with all required fields completed with correct and complete information.

“Clean claim” means a claim in which the information in the possession of an entity adequately indicates that:

- (1) The claim is for a covered health care service provided by an eligible health care provider to a covered person under the contract;
- (2) The claim has no material defect or impropriety;
- (3) There is no dispute regarding the amount claimed; and
- (4) The payer has no reason to believe that the claim was submitted fraudulently.

The term does not include:

- (1) Claims for payment of expenses incurred during a period of time when premiums were delinquent;
- (2) Claims that are submitted fraudulently or that are based upon material misrepresentations;
- (3) ~~Medicaid or Medigap claims; and~~ Claims for self-insured employer groups; claims for services rendered to individuals associated with a health care entity through a national participating provider network; or claims for medicaid, medicare, medigap, or other federally financed plan; and
- (4) Claims that require a coordination of benefits, subrogation, or preexisting condition investigations, or that involve third-party liability.

“Contest”, “contesting”, or “contested” means the circumstances under which an entity was not provided with, or did not have reasonable access to, suf-

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ficient information needed to determine payment liability or basis for payment of the claim.

“Deny”, “denying”, or “denied” means the assertion by an entity that it has no liability to pay a claim based upon eligibility of the patient, coverage of a service, medical necessity of a service, liability of another payer, or other grounds.

“Entity” means accident and health or sickness insurance providers under part I of article 10A of chapter 431, mutual benefit societies under article 1 of chapter 432, dental service corporations under chapter 423, and health maintenance organizations under chapter 432D.

“Fraud” shall have the same meaning as in section 431:2-403.

“Health care facility” shall have the same meaning as in section [327D-2] 323D-2; provided that health care facility shall not include an acute care hospital.

“Health care provider” means a Hawaii health care facility, physician, nurse, or any other provider of health care services covered by an entity.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved May 5, 2015.)

## ACT 34

S.B. NO. 987

A Bill for an Act Relating to Post-Secondary Education.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 305J, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§305J- Opportunity for administrative hearing.** An institution may, within fifteen days of the receipt of notification of denial or of intent to suspend or terminate any authorization, request an administrative hearing for review pursuant to chapter 91.”

SECTION 2. New statutory material is underscored.<sup>1</sup>

SECTION 3. This Act shall take effect upon its approval.

(Approved May 5, 2015.)

### Note

1. Edited pursuant to HRS §23G-16.5.

## ACT 35

S.B. NO. 1156

A Bill For An Act Relating to Statutory Revision: Amending or Repealing Various Provisions of the Hawaii Revised Statutes and the Session Laws of Hawaii for the Purposes of Correcting Errors and References, Clarifying Language, and Deleting Obsolete or Unnecessary Provisions.

*Be It Enacted by the Legislature of the State of Hawaii:*

## PART I.

SECTION 1. Chapter 8, Hawaii Revised Statutes, is amended by amending its title to read as follows:

**“CHAPTER 8  
HOLIDAYS AND PERIODS OF RECOGNITION AND OBSERVANCE”**

SECTION 2. Section 26-18, Hawaii Revised Statutes, is amended to read as follows:

**“§26-18 Department of business, economic development, and tourism.**

(a) The department of business, economic development, and tourism shall be headed by a single executive to be known as the director of business, economic development, and tourism.

The department shall undertake statewide business and economic development activities, undertake energy development and management, provide economic research and analysis, plan for the use of Hawaii's ocean resources, and encourage the development and promotion of industry and international commerce through programs established by law.

(b) The following are placed in the department of business, economic development, and tourism for administrative purposes as defined by section 26-35: ~~[Aloha Tower development corporation,]~~ Hawaii community development authority, Hawaii housing finance and development corporation, high technology development corporation, land use commission, natural energy laboratory of Hawaii authority, and any other boards and commissions as shall be provided by law.

(c) The department of business, economic development, and tourism shall be empowered to establish, modify, or abolish statistical boundaries for cities, towns, or villages in the State and shall publish, as expeditiously as possible, an up-to-date list of cities, towns, and villages after changes to statistical boundaries have been made.”

SECTION 3. Section 128A-5, Hawaii Revised Statutes, is amended to read as follows:

**“[§128A-5] County organizations for homeland security.** Counties are authorized, but not required, to establish organizations for homeland security. If a county does not establish a separate organization for homeland security, the functions listed in section 128A-4 shall be incorporated into the responsibilities of the county ~~[emergency management]~~ agency.”

SECTION 4. Section 243-3.5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) In addition to any other taxes provided by law, subject to the exemptions set forth in section 243-7, there is hereby imposed a state environmental response, energy, and food security tax on each barrel or fractional part of a barrel of petroleum product sold by a distributor to any retail dealer or end user of petroleum product, other than a refiner. The tax shall be \$1.05 on each barrel or fractional part of a barrel of petroleum product that is not aviation fuel; provided that of the tax collected pursuant to this subsection:

- (1) 5 cents of the tax on each barrel shall be deposited into the environmental response revolving fund established under section 128D-2;

- (2) 15 cents of the tax on each barrel shall be deposited into the energy security special fund established under section 201-12.8;
- (3) 10 cents of the tax on each barrel shall be deposited into the energy systems development special fund established under section [§]304A-2169.1[§]; and
- (4) 15 cents of the tax on each barrel shall be deposited into the agricultural development and food security special fund established under section 141-10.

The tax imposed by this subsection shall be paid by the distributor of the petroleum product.”

SECTION 5. Section 291C-77, Hawaii Revised Statutes, is amended to read as follows:

**“§291C-77 Pedestrians soliciting rides, business, or attention of motorist.**

(a) Except as otherwise provided by county ordinance, no person shall stand in, walk along, or otherwise occupy a portion of a highway for the purpose of soliciting a ride, employment, business, or contributions from the occupant of any vehicle.

(b) No person shall stand on or in proximity to a street or highway for the purpose of soliciting the watching or guarding of any vehicle while parked or about to be parked on a street or highway.

~~[(c) Except as otherwise provided by county ordinance, no person shall hold or display a movable sign within the right-of-way boundaries of a public highway or on the sidewalk abutting a public highway or in an area adjacent to the highway for the purpose of carrying on political campaign activities as defined in section 19-6(7) and which seek to draw the attention of occupants of motor vehicles using the highway. A movable sign is any portable device, display, emblem, billboard, notice, picture, painting or writing, other than official signs placed or required by the State or county.]”~~

SECTION 6. Section 291C-137, Hawaii Revised Statutes, is amended by amending subsection (e) to read as follows:

“(e) As used in this section:

“Emergency responders” includes firefighters, emergency medical technicians, mobile intensive care technicians, [§]emergency management[§] workers, police officers, and federal and state law enforcement officers.

“Fleet vehicle” means any vehicle validly registered pursuant to section 286-53.5.

“Mobile electronic device” means any handheld or other portable electronic equipment capable of providing wireless or data communication between two or more persons or of providing amusement, including but not limited to a cellular phone, text messaging device, paging device, personal digital assistant, laptop computer, video game, or digital photographic device, but does not include any audio equipment or any equipment installed in a motor vehicle for the purpose of providing navigation, emergency assistance to the operator of the motor vehicle, or video entertainment to the passengers in the rear seats of the motor vehicle.

“Operate” a motor vehicle means to drive or assume actual physical control of the vehicle upon a public way, street, road, or highway, including operation while temporarily stationary because of traffic, a traffic light, or a stop sign.

“Use” or “using” means holding a mobile electronic device while operating a motor vehicle.”

SECTION 7. Section 304A-2351, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) Neither the trust established by the university pursuant to subsection (a), nor any trustee thereof, shall be a department, ~~[office,]~~ agency, board, commission, bureau, instrumentality, committee, authority, or office of the State or any of its political subdivisions, or otherwise deemed a public or quasi-public entity, nor shall the initial funding of, or a transfer to, the trust constitute a state grant. The trust shall not be subject to laws or rules governing state and other public or quasi-public entities, including but not limited to chapters 23, 36, 37, 38, 40, 42F, 76, 78, 84, 89, 91, 92, 92F, 103, and 103D.”

SECTION 8. Section 346-97, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The department shall adopt rules pursuant to chapter 91 establishing standards regarding the reputable and responsible character of service providers who have direct contact with individuals receiving services under this part, including:

- (1) Purchase of service contracted and subcontracted service providers and their employees serving clients of the ~~[[adult protective and community services branch]]~~;
- (2) The foster grandparent program, senior companion program, and respite companion program participants; and
- (3) Contracted and subcontracted service providers and their employees and new employees who provide home and community-based services under section 1915(c) of the Social Security Act (42 U.S.C. §1396n(c)), or under any other applicable section or sections of the Social Security Act for the purposes of providing home and community-based services.”

SECTION 9. Section 346-224, Hawaii Revised Statutes, is amended by amending subsection (g) to read as follows:

“(g) Nothing in this section shall require a member of the clergy to report communications that are protected under rule 506 of ~~[chapter 626.]~~ the Hawaii rules of evidence.”

SECTION 10. Section 348-7, Hawaii Revised Statutes, is amended to read as follows:

“**§348-7 Cooperative arrangements, etc.** Pursuant to the general policies of the department of human services, the department is authorized:

- (1) To cooperate with and utilize the services of the state agency administering the public assistance program, the ~~[federal Bureau of Old-Age and Survivors Insurance (Department of Health, Education, and Welfare),]~~ Social Security Administration, and other federal, state, city and county, and local public agencies providing services relating to vocational rehabilitation, and with the state system of public employment offices in the State, and shall make maximum feasible utilization of the job placement and employment ~~[counseling]~~ counseling services and other services and facilities of ~~[such] the offices[-];~~
- (2) To cooperate with political subdivisions[-] and other public and nonprofit organizations and agencies, in their establishment of workshops and rehabilitation facilities[-] and, to the extent feasible

- in providing vocational rehabilitation services, shall utilize all ~~[such]~~ the facilities meeting the standards established by the department~~[-];~~
- (3) To enter into contractual arrangements with the ~~[federal Bureau of Old Age and Survivors Insurance (Department of Health, Education, and Welfare)]~~ Social Security Administration, with respect to certifications of disability and performance of other services, and with other authorized public agencies for performance of services related to vocational rehabilitation, for ~~[such]~~ the agencies~~[-]; and~~
  - (4) To contract with schools, hospitals, and other agencies, and with doctors, nurses, technicians, and other persons, for training, physical restoration, transportation, and other vocational rehabilitation services.”

SECTION 11. Section 371-20, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

- “(b) For purposes of this section, “employer” means any person that:
- (1) Holds a class 5 or class 11 liquor license pursuant to section 281-31;
  - (2) Maintains a massage therapy establishment that employs five or more people; or
  - (3) Employs one or more erotic or nude massagers or ~~[erotic]~~ exotic or nude dancers as defined in section 712-1210.”

SECTION 12. Section 383-2, Hawaii Revised Statutes, is amended by amending subsections (d) and (e) to read as follows:

“(d) The term “employment” shall include an individual’s service, wherever performed within the United States, the Virgin Islands, or Canada, if ~~[(a) such]~~:

- (1) ~~The~~ The service is not covered under the unemployment compensation law of any other state, the Virgin Islands, or Canada~~[-]; and [(b) the]~~
  - (2) ~~The~~ The place from which the service is directed or controlled is in this State.
- (e) “Employment” includes service performed by an individual in agricultural labor as defined in section 383-9 except for service excluded under ~~[paragraph (1) of section 383-7.]~~ section 383-7(a)(1).

- (1) For the purposes of this section, any individual who is a member of a crew furnished by a crew leader to perform service in agricultural labor for any other person shall be treated as an employee of ~~[such]~~ the crew leader:
  - (A) If ~~[such]~~ the crew leader holds a valid certificate of registration under the Farm Labor Contractor Registration Act of 1963; or substantially all the members of ~~[such]~~ the crew operate or maintain tractors, mechanized harvesting or cropdusting equipment, or any other mechanized equipment, which is provided by ~~[such]~~ the crew leader; and
  - (B) If ~~[such]~~ the employee is not an employee of ~~[such]~~ the other person within the meaning of subsection (b) ~~[of this section]~~.
- (2) For the purposes of this subsection, in the case of any individual who is furnished by a crew leader to perform service in agricultural labor for any other person and who is not treated as an employee of ~~[such]~~ the crew leader under paragraph (1) ~~[above]~~:
  - (A) ~~[Such]~~ The other person and not the crew leader shall be treated as the employer of ~~[such]~~ the individual; and
  - (B) ~~[Such]~~ The other person shall be treated as having paid cash remuneration to ~~[such]~~ the individual in an amount equal to

the amount of cash remuneration paid to ~~[such] the~~ individual by the crew leader (either on the crew leader's own behalf or on behalf of ~~[such] the~~ other person) for the service in agricultural labor performed for ~~[such] the~~ other person.

- (3) For the purposes of this subsection, the term "crew leader" means an individual who:
- (A) Furnishes individuals to perform service in agricultural labor for any other person;
  - (B) Pays (either on the crew leader's own behalf or on behalf of ~~[such] the~~ other person) the individuals so furnished by the crew leader for the service in agricultural labor performed by them; and
  - (C) Has not entered into a written agreement with ~~[such] the~~ other person under which ~~[such] the~~ individual is designated as an employee of ~~[such] the~~ other person."

SECTION 13. Section 383-8, Hawaii Revised Statutes, is amended to read as follows:

**"§383-8 Included and excluded service.** If the services performed during one-half or more of any pay period by an individual for the person employing the individual constitute employment, all the services of the individual for the period shall be deemed to be employment; but if the services performed during more than one-half of any ~~[such]~~ pay period by an individual for the person employing the individual do not constitute employment, then none of the services of the individual for the period shall be deemed to be employment. As used in this ~~[paragraph] section,~~ the term "pay period" means a period (of not more than thirty-one consecutive days) for which a payment of remuneration is ordinarily made to the individual by the person employing the individual. This ~~[paragraph] section~~ shall not be applicable with respect to services performed in a pay period by an individual for the person employing the individual, where any of ~~[such] the~~ service is excepted by section ~~[383-7(8)-] 383-7(a)(8).~~"

SECTION 14. Section 383-95, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Except as otherwise provided in this chapter, information obtained from any employing unit or individual pursuant to the administration of this chapter and determinations as to the benefit rights of any individual shall be held confidential and shall not be disclosed or be open to public inspection in any manner revealing the individual's or employing unit's identity. Any claimant (or the claimant's legal representative) shall be supplied with information from the records of the department to the extent necessary for the proper presentation of the claimant's claim in any proceeding under this chapter. Subject to ~~[such]~~ restrictions as the director may by rule prescribe, ~~[and] reimbursement of costs to the department incurred in furnishing the information [are reimbursed to the department], and the establishment of all safeguards [are established]~~ as are necessary to ensure that information furnished by the department is used only for authorized purposes, the information and determinations may be made available to:

- (1) Any federal or state agency charged with the administration of an unemployment compensation law or the maintenance of a system of public employment offices;
- (2) The ~~[Bureau of Internal Revenue]~~ Internal Revenue Service of the United States Department of the Treasury;



- (3) Any federal, state, or municipal agency charged with the administration of a fair employment practice or anti-discrimination law;
- (4) Any other federal, state, or municipal agency if the director deems that the disclosure to the agency serves the public interest; and
- (5) Any federal, state, or municipal agency if the disclosure is authorized under section 303 of the Social Security Act and section 3304 of the Internal Revenue Code of 1986, as amended.”

SECTION 15. Section 385-6, Hawaii Revised Statutes, is amended to read as follows:

“**§385-6 Requirements for eligibility.** An unemployed claimant is eligible to receive additional unemployment benefits with respect to any week only if the director of labor and industrial relations finds that:

- (1) The claimant has made a claim for additional unemployment benefits with respect to ~~[such] that~~ week in accordance with the ~~[regulations] rules~~ as the director may prescribe with respect to claims for normal benefits;
- (2) The claimant meets the eligibility requirements of ~~[paragraphs (2) and (3) of section 383-29;]~~ section 383-29(a)(2) and (3);
- (3) The claimant is not subject to disqualification and is not under disqualification for normal benefits under section 383-30;
- (4) The claimant is not entitled to receive unemployment compensation benefits under any state or federal unemployment compensation laws for the week in which the claimant claims for additional unemployment benefits;
- (5) The claimant is not entitled to receive disaster benefits under any state or federal law for the week in which the claimant claims additional unemployment benefits.”

SECTION 16. Section 435H-4, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

“(d) The governor shall designate one representative to serve as the State’s official representative on the board from among the following: the director of commerce and consumer affairs, the director of health, the director of human services, the director of labor and industrial relations, a representative from the office of healthcare transformation, or a representative from the office of information management and technology.

The governor’s designated representative shall be an ex officio~~[ ], [ ]~~ voting member of the board. The remaining state officials shall be ex officio~~[ ], [ ]~~ nonvoting members of the board. The governor shall notify the chair of the ~~[ ] board [ ]~~ regarding the selection of the designated voting and nonvoting state members of the board.

The director of commerce and consumer affairs, the director of health, the director of human services, and the director of labor and industrial relations may select a designee for a specified meeting or meetings. ~~[Such] The~~ selection of the designee shall be submitted in writing to the board of directors prior to or at the meeting in which the designee will serve.”

SECTION 17. Section 457G-1.4, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Except as specifically provided in this chapter, no person shall engage in the practice of occupational therapy as an occupational ~~[therapist] ther-~~

apy assistant or use the title “licensed occupational [~~therapist~~] therapy assistant” or “occupational [~~therapist~~] therapy assistant” unless:

- (1) The practice is performed under the supervision of and in partnership with a person who is an occupational therapist licensed to practice occupational therapy in the State; and
- (2) The person possesses a valid license issued pursuant to this chapter to practice occupational therapy as an occupational therapy assistant.”

SECTION 18. Section 601-17.5, Hawaii Revised Statutes, is amended to read as follows:

“~~§601-17.5~~ **Collection of delinquent court-ordered payments.** The judiciary may contract with a collection agency bonded under chapter 443B or with a licensed attorney to collect any delinquent court-ordered penalties, fines, restitution, sanctions, and court costs, including [~~restitution and~~] juvenile monetary assessments. Any fees or costs associated with the collection efforts shall be added to the amount due and retained by the collection agency as its payment; provided that no [~~such~~] fees or costs shall exceed fifty per cent of the amount collected.”

SECTION 19. Section 662-1, Hawaii Revised Statutes, is amended by amending the definition of “acting within the scope of his office or employment” to read as follows:

““Acting within the scope of [~~his~~] the employee’s office or employment”, in the case of a member of the Hawaii [~~national guard~~] National Guard or Hawaii state defense force, means acting in the line of duty.”

SECTION 20. Section 662-3, Hawaii Revised Statutes, is amended to read as follows:

“**§662-3 Jurisdiction.** The circuit courts of the State and, except as otherwise provided by statute or rule, the state district courts shall have original jurisdiction of all tort actions on claims against the State, for money damages, accruing on and after July 1, 1957, for injury or loss of property, or personal injury or death caused by the negligent or wrongful act or omission of any employee of the State while acting within the scope of [~~his~~] the employee’s office or employment.”

SECTION 21. Section 702-230, Hawaii Revised Statutes, is amended by amending subsection (4) to read as follows:

“(4) Intoxication [~~which~~] that is:

(a) [~~is not~~] Not self-induced; or

(b) [~~is pathological~~] Pathological.

is a defense if by reason of [~~such~~] the intoxication the defendant at the time of the defendant’s conduct lacks substantial capacity either to appreciate its wrongfulness or to conform the defendant’s conduct to the requirements of law.”

SECTION 22. Section 706-660.2, Hawaii Revised Statutes, is amended to read as follows:

“**§706-660.2 Sentence of imprisonment for offenses against children, elder persons, or handicapped persons.** (1) Notwithstanding section 706-669, if not subjected to an extended term of imprisonment pursuant to section 706-662,

a person ~~[who, in the course of committing or attempting to commit a felony,]~~ shall be sentenced to a mandatory minimum term of imprisonment without possibility of parole as provided in subsection (2) if:

- (a) ~~The person, in the course of committing or attempting to commit a felony,~~ causes the death or inflicts serious or substantial bodily injury upon ~~[a]~~ another person who is:
  - ~~[(1)]~~ (i) Sixty years of age or older;
  - ~~[(2)]~~ (ii) Blind, a paraplegic, or a quadriplegic; or
  - ~~[(3)]~~ (iii) Eight years of age or younger; ~~and~~
- (b) ~~[and such]~~ Such disability is known or reasonably should be known to the defendant~~[-, shall, if not subjected to an extended term of imprisonment pursuant to section 706-662, be sentenced to a mandatory minimum term of imprisonment without possibility of parole as follows:]~~.

(2) ~~The term of imprisonment for a person sentenced pursuant to subsection (1) shall be as follows:~~

- ~~[(1)]~~ (a) For murder in the second degree—fifteen years;
- ~~[(2)]~~ (b) For a class A felony—six years, eight months;
- ~~[(3)]~~ (c) For a class B felony—three years, four months;
- ~~[(4)]~~ (d) For a class C felony—one year, eight months.”

SECTION 23. Section 707-700, Hawaii Revised Statutes, is amended by amending the definition of “vulnerable user” to read as follows:

““Vulnerable user” means:

- (1) A pedestrian legally within a street or public highway;
- (2) A roadway worker actually engaged in work upon a street or public highway or in work upon utility facilities along a street or public highway, or engaged in the provision of emergency services within a street or public highway, including but not limited to:
  - ~~[(A)]~~ (a) Construction and maintenance workers; and
  - ~~[(B)]~~ (b) Police, fire, and other emergency responders; or
- (3) A person legally operating any of the following within the street or public highway:
  - ~~[(A)]~~ (a) A bicycle;
  - ~~[(B)]~~ (b) A moped;
  - ~~[(C)]~~ (c) An electric personal assistive mobility device; or
  - ~~[(D)]~~ (d) A wheelchair conveyance or other personal mobility device.”

SECTION 24. Section 707-722, Hawaii Revised Statutes, is amended by amending subsections (2) and (3) to read as follows:

“(2) In any prosecution under this section, it is an affirmative defense~~[-]~~ that:

- (a) ~~[the]~~ The person restrained was less than eighteen years old~~[-]~~;
- (b) ~~[the]~~ The defendant was a relative of the victim~~[-]~~; and
- (c) ~~[the]~~ The defendant’s sole purpose was to assume custody over the victim.

In that case, the liability of the defendant, if any, is governed by section 707-727, and the defendant may be convicted under section 707-727, although charged under this section.

(3) In any prosecution under this section, it is an affirmative defense~~[-]~~ that:

- (a) ~~[the]~~ The person restrained ~~[(a)]~~ was ~~[on]~~:

- (i) On or in the immediate vicinity of the premises of a retail mercantile establishment for the purpose of investigation or questioning as to the ownership of any merchandise; [~~(b) was restrained~~]
  - (ii) Restrained in a reasonable manner and for not more than a reasonable time; [~~(e) was restrained~~] and
  - (iii) Restrained to permit [~~such~~] the investigation or questioning by a police officer or by the owner of the retail mercantile establishment, the owner's authorized employee, or the owner's agent; and [~~(d) that such~~]
- (b) The police officer, owner, employee, or agent had reasonable grounds to believe that the person [~~so~~] detained was committing or attempting to commit theft of merchandise on the premises."

SECTION 25. Section 707-769, Hawaii Revised Statutes, is amended by amending subsection (1) to read as follows:

"(1) It is a defense to a prosecution for extortion as defined by paragraph (1) of section 707-764 that the defendant:

- (a) Was unaware that the property or service was that of another; or
- (b) Believed that the defendant was entitled to the property or services under a claim [~~of~~] of right or that the defendant was authorized, by the owner or by law, to obtain or exert control as the defendant did."

SECTION 26. Section 708-880, Hawaii Revised Statutes, is amended by amending subsection (2) to read as follows:

"(2) In this section:

"Agent" means:

- [~~(+)~~] (a) An agent or employee of another;
- [~~(ii)~~] (b) A trustee, guardian, or other fiduciary;
- [~~(iii)~~] (c) A lawyer, physician, accountant, appraiser, or other professional adviser or informant;
- [~~(iv)~~] (d) An officer, director, partner, manager, or other participant in the direction of the affairs of an incorporated or unincorporated association; or
- [~~(v)~~] (e) An arbitrator or other purportedly disinterested adjudicator or referee.

"Agent in charge of employment" does not include any person conducting a private employment agency licensed and operating in accordance with law.

"Appraiser" means a person who holds [~~himself~~] oneself out to the public as being engaged in the business of making disinterested selection, appraisal, or criticism of commodities or services."

SECTION 27. Section 710-1077, Hawaii Revised Statutes, is amended by amending subsections (6) and (7) to read as follows:

"(6) Nothing in this section shall be construed to alter the court's power to punish civil contempt. When the contempt consists of the refusal to perform an act which the contemnor has the power to perform, the contemnor may be imprisoned until the contemnor has performed it. In such a case the act shall be specified in the warrant of commitment. In any proceeding for review of the judgment or commitment, no presumption of law shall be made in support of the jurisdiction to render the judgment or order the commitment. When a court of competent jurisdiction issues an order compelling a parent to furnish support, including child support, medical support, or other remedial care, for the parent's

child, it shall constitute prima facie evidence of a civil contempt of court upon proof that:

- ~~[(1)]~~ (a) The order was made, filed, and served on the parent or proof that the parent was present in court at the time the order was pronounced; and
- ~~[(2)]~~ (b) The parent did not comply with the order.

An order of civil contempt of court based on prima facie evidence under this subsection shall clearly state that the failure to comply with the order of civil contempt of court may subject the parent to a penalty that may include imprisonment or, if imprisonment is immediately ordered, the conditions that must be met for release from imprisonment. A party may also prove civil contempt of court by means other than prima facie evidence under this subsection.

(7) Any violation or disobedience of any injunction or order expressly provided for in part V of chapter 712 is punishable by:

- (a) A fine of not less than \$400 nor more than \$5,000;
- (b) ~~[By imprisonment]~~ Imprisonment for not less than one nor more than six months; or
- (c) Both a fine and imprisonment pursuant to paragraphs (a) and (b)."

SECTION 28. Section 711-1100, Hawaii Revised Statutes, is amended by amending the definition of "necessary sustenance" to read as follows:

"Necessary sustenance" means care sufficient to preserve the health and well-being of a pet animal, except for emergencies or circumstances beyond the reasonable control of the owner or caretaker of the pet animal, and includes but is not limited to the following requirements:

- (1) Food of sufficient quantity and quality to allow for normal growth or maintenance of body weight;
- (2) Open or adequate access to water in sufficient quantity and quality to satisfy the animal's needs;
- (3) Access to protection from wind, rain, or sun;
- (4) An area of confinement that has adequate space necessary for the health of the animal and is kept reasonably clean and free from excess waste or other contaminants that could affect the animal's health; provided that the area of confinement in a primary pet enclosure ~~[must:]~~ shall:
  - ~~[(A)]~~ (a) Provide access to shelter;
  - ~~[(B)]~~ (b) Be constructed of safe materials to protect the pet animal from injury;
  - ~~[(C)]~~ (c) Enable the pet animal to be clean, dry, and free from excess waste or other contaminants that could affect the pet animal's health;
  - ~~[(D)]~~ (d) Provide the pet animal with a solid surface or resting platform that is large enough for the pet animal to lie upon in a normal manner, or, in the case of a caged bird, a perch that is large enough for the bird to perch upon in a normal manner;
  - ~~[(E)]~~ (e) Provide sufficient space to allow the pet animal ~~[to]~~, at minimum, to do the following:
    - (i) Easily stand, sit, lie, turn around, and make all other normal body movements in a comfortable manner for the pet animal, without making physical contact with any other animal in the enclosure; and
    - (ii) Interact safely with other animals within the enclosure; and

- (5) Veterinary care when needed to prevent suffering.”

SECTION 29. Section 712-1209.6, Hawaii Revised Statutes, is amended by amending subsection (1) to read as follows:

“(1) A person convicted of committing the offense of prostitution under section 712-1200, loitering for the purpose of engaging in or advancing prostitution under section 712-1206, street solicitation of prostitution in designated areas under section 712-1207, or convicted of a lesser offense when originally charged with a violation of section 712-1200, 712-1206, or 712-1207, may file a motion to vacate the conviction if the defendant’s participation in the offense was the result of the person having been a victim of:

- (a) Promoting prostitution in the first degree under section 712-1202; or
- (b) A severe form of trafficking in persons as defined in title 22 United States Code section ~~[7102(13)]~~ 7102(9)(A).”

SECTION 30. Section 712-1216, Hawaii Revised Statutes, is amended by amending subsection (1) to read as follows:

“(1) The fact that a person engaged in the conduct specified by ~~[sections 712-1214 or]~~ section 712-1215 is prima facie evidence that the person engaged in that conduct with knowledge of the character and content of the material disseminated or the performance produced, presented, directed, participated in, exhibited, or to be exhibited.”

SECTION 31. Section 803-9, Hawaii Revised Statutes, is amended to read as follows:

“**§803-9 Examination after arrest; rights of arrested person.** It shall be unlawful in any case of arrest for examination:

- (1) To deny to the person so arrested the right of seeing, at reasonable intervals and for a reasonable time at the place of the person’s detention, counsel or a member of the arrested person’s family;
- (2) To unreasonably refuse or fail to make a reasonable effort, where the arrested person so requests and prepays the cost of the message, to send a telephone, cable, or wireless message through a police officer or another than the arrested person to the counsel or member of the arrested person’s family;
- (3) To deny to counsel ~~[(c), whether retained by the arrested person or a member of the arrested person’s family)]~~, or to a member of the arrested person’s family, the right to see or otherwise communicate with the arrested person for a reasonable period at the place of the arrested person’s detention:
  - (A) ~~[at]~~ At any time for a ~~[reasonable period for the first time]~~ first communication after the arrest~~[-];~~ and
  - (B) ~~[thereafter at]~~ At reasonable intervals ~~[and for a reasonable time;]~~ thereafter;
- (4) In case the person arrested has requested that the person see an attorney or member of the person’s family, to examine the person before the person has had a fair opportunity to see and consult with the attorney or member of the person’s family;
- (5) To fail, within forty-eight hours of the arrest of a person on suspicion of having committed a crime, either to release or to charge the arrested person with a crime and take the arrested person before a qualified magistrate for examination.”

SECTION 32. Section 803-46, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

“(a) Each application for an order authorizing or approving the interception of a wire, oral, or electronic communication shall be made in writing upon oath or affirmation to a designated judge and shall be accompanied by a written memorandum recommending approval or disapproval by the department of ~~the~~ attorney general. The application shall state the applicant’s authority to make the application. The term “designated judge” as used in this section shall not only mean a circuit court judge specifically designated by the chief justice of ~~the~~ Hawaii supreme court, but shall also mean any circuit court judge or district court judge, if no circuit court judge has been designated by the chief justice, or is otherwise unavailable. Each application shall include the following information:

- (1) The identity of the investigative or law enforcement ~~officer(s) of-~~  
ficer or officers requesting the application, the ~~official(s)~~ official or  
officials applying for an order;
- (2) A full and complete statement of the facts and circumstances relied upon by the applicant, to justify the applicant’s belief that an order should be issued, including:
  - (A) ~~details~~ Details as to the particular offense ~~that has been, is being, or is about to be committed~~;
  - (B) ~~except~~ Except as provided in subsection (j), a particular description of the nature and location of the facilities from which or the place where the communication is to be intercepted;
  - (C) ~~a~~ A particular description of the type of communications sought to be intercepted;
  - (D) ~~the~~ The identity or descriptions of all persons, if known, committing the offense and whose communications are to be intercepted, ~~and where appropriate~~; and
  - (E) Where appropriate, the involvement of organized crime;
- (3) A full and complete, but not unduly technical or complex, statement of the facts concerning how the interception is to be accomplished, and if physical entry upon private premises is necessary, facts supporting ~~such~~ the necessity;
- (4) A full and complete statement of facts as to whether or not other investigative procedures have been tried and failed or why they reasonably appear to be unlikely to succeed if tried or to be too dangerous;
- (5) A statement of facts indicating the period of time for which the interception is required to be maintained. If the nature of the investigation is such that the authorization for interception should not automatically terminate when the described type of communication has been obtained, a particular description of facts establishing probable cause to believe that additional communications of the same type will occur thereafter;
- (6) A full and complete statement of the facts concerning all previous applications known to the individual authorizing and making the application, made to any designated judge for authorization to intercept, or for approval of interceptions of, wire, oral, or electronic communications involving any of the same persons, facilities, or places specified in the application, and the action taken by the designated judge on each application; and

- (7) When the application is for the extension of an order, a statement setting forth the results thus far obtained from the interception, or a reasonable explanation of the failure to obtain any results.”
2. By amending subsection (g) to read:
- “(g)(1) The contents of any wire, oral, or electronic communication intercepted by any means authorized by this part ~~shall~~, if possible, shall be recorded on tape or wire or other comparable device. The recording of the contents of any wire, oral, or electronic communication under this subsection shall be done to protect the recording from being edited or otherwise altered. Immediately upon the expiration of the time period provided in the order, or extensions thereof, the recording shall be made available to the designated judge issuing the order and sealed under the designated judge’s directions. Custody of the recording shall be determined by order of the designated judge. Recordings and other evidence of the contents of conversations and applications and orders shall not be destroyed except upon an order of the designated judge and in any event shall be kept for ten years. However, upon the request of all the parties to particular conversations, evidence of conversations between those parties shall be destroyed if:
- (A) ~~if there~~ There are no incriminating statements;
  - (B) ~~if any~~ Any incriminating statements are inadmissible at trial pursuant to section 803-45(f); or
  - (C) ~~if the~~ The interception of the conversations is determined to have been illegal.
- Duplicate recordings may be made for use or disclosure pursuant to section 803-45(a) and (b) for investigations. The presence of the seal required by this subsection, or a satisfactory explanation for the absence thereof, shall be a prerequisite for the use or disclosure of the contents of any wire, oral, or electronic communication or evidence derived therefrom under section 803-45(c).
- (2) Applications made and orders granted under this part~~[-]~~ and evidence obtained through court-ordered interceptions shall be sealed by the designated judge. Custody of the above shall be wherever the designated judge directs. Applications and orders shall be disclosed only upon a showing of good cause before a designated judge and shall not be destroyed, except upon order of the designated judge, and, in any event, shall be kept for ten years.
  - (3) Any violation of the provisions of this subsection may be punished as contempt by the designated judge.
  - (4) Within a reasonable time but no later than ninety days after either the filing of an application for an approval under subsection (d) that is denied or the termination of the period of an order or extensions thereof, the designated judge shall cause an inventory to be served on the persons named in the order, on all other known parties to intercepted communications, and to any other persons as the court may determine is in the interest of justice. The inventory shall include notice of:
    - (A) The fact of the entry of the order;
    - (B) The date of the entry and the period of authorized, or approved interception; and
    - (C) The fact that during the applicable time period, wire, oral, or electronic communications were or were not intercepted.



The designated judge, upon the filing of a motion, may make available to the person or the person's counsel for inspection after the inventory has been served all portions of the intercepted communications that contain conversations of that person, applications, orders, and other evidence obtained as a result of the use of interception orders. The designated judge may order the additional disclosure as the designated judge determines to be in the interest of justice. On an ex parte showing of good cause, the designated judge may permit the serving of the inventory required by this subsection to be postponed."

SECTION 33. Section 806-83, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

"(a) Criminal charges may be instituted by written information for a felony when the charge is a class C felony under section 19-3.5 (voter fraud); section 128D-10 (knowing releases); section 132D-14(a)(1), (2)(A), and (3) (relating to penalties for failure to comply with requirements of sections 132D-7, 132D-10, and 132D-16); ~~section 134-24 (place to keep unloaded firearms other than pistols and revolvers);~~ section 134-7(a) and (b) (ownership or possession prohibited); section 134-8 (ownership, etc., of automatic firearms, silencers, etc., prohibited; penalties); section 134-9 (licenses to carry); section 134-17(a) (relating to false information or evidence concerning psychiatric or criminal history); section 134-24 (place to keep unloaded firearms other than pistols and revolvers); section 134-51 (deadly weapons); section 134-52 (switchblade knives); section 134-53 (butterfly knives); section 188-23 (possession or use of explosives, electrofishing devices, and poisonous substances in state waters prohibited); section 231-34 (attempt to evade or defeat tax); section 231-36 (false and fraudulent statements); section 245-37 (sale or purchase of packages of cigarettes without stamps); section 245-38 (vending unstamped cigarettes); section 245-51 (export and foreign cigarettes prohibited); section 245-52 (alteration of packaging prohibited); section 291C-12.5 (accidents involving substantial bodily injury); section 291E-61.5 (habitually operating a vehicle under the influence of an intoxicant); section 329-41 (prohibited acts B—penalties); section 329-42 (prohibited acts C—penalties); section 329-43.5 (prohibited acts related to drug paraphernalia); section 329C-2 (manufacture, distribution, or possession with intent to distribute an imitation controlled substance to a person under eighteen years of age); section 346-34(d)(2) and (e) (relating to fraud involving food stamps or coupons); section 346-43.5 (medical assistance frauds; penalties); section 383-141 (falsely obtaining benefits, etc.); section 431:2-403(b)(2) (insurance fraud); section 482D-7 (violation of fineness standards and stamping requirements); section 485A-301 (securities registration requirement); section 485A-401 (broker-dealer registration requirement and exemptions); section 485A-402 (agent registration requirement and exemptions); section 485A-403 (investment ~~adviser~~ adviser registration requirement and exemptions); section 485A-404 (investment ~~adviser~~ adviser representative registration requirement and exemptions); section 485A-405 (federal covered investment adviser notice filing requirement); section 485A-501 (general fraud); section 485A-502 (prohibited conduct in providing investment advice); section 707-703 (negligent homicide in the second degree); section 707-705 (negligent injury in the first degree); section 707-711 (assault in the second degree); section 707-713 (reckless endangering in the first degree); section 707-721 (unlawful imprisonment in the first degree); section 707-726 (custodial interference in the first degree); section 707-757 (electronic enticement of a child in the second degree); section 707-766 (extortion in the second degree); section 708-811 (burglary in the second degree); section 708-812.6 (unauthorized entry in a dwelling [ ]in

the second degree~~]]~~); section 708-821 (criminal property damage in the second degree); section 708-831 (theft in the second degree); section 708-833.5 (shoplifting); section 708-835.5 (theft of livestock); section 708-836 (unauthorized control of propelled vehicle); section 708-836.5 (unauthorized entry into motor vehicle in the first degree); section 708-839.5 (theft of utility services); section 708-839.55 (unauthorized possession of confidential personal information); section 708-839.8 (identity theft in the third degree); section 708-852 (forgery in the second degree); section 708-854 (criminal possession of a forgery device); section 708-858 (suppressing a testamentary or recordable instrument); section 708-875 (trademark counterfeiting); ~~[section 708-891.5 (computer fraud in the second degree);]~~ section 708-891.6 (computer fraud in the third degree); ~~[section 708-892.5 (computer damage in the second degree);]~~ section 708-892.6 (computer damage in the third degree); ~~[section 708-895.6 (unauthorized computer access in the second degree);]~~ section 708-895.7 (unauthorized computer access in the third degree); section 708-8100 (fraudulent use of a credit card); section 708-8102 (theft, forgery, etc., of credit cards); section 708-8103 (credit card fraud by a provider of goods or services); section 708-8104 (possession of unauthorized credit card machinery or incomplete cards); section 708-8200 (cable television service fraud in the first degree); section 708-8202 (telecommunication service fraud in the first degree); section 709-903.5 (endangering the welfare of a minor in the first degree); section 709-906 (abuse of family or household members); section 710-1016.3 (obtaining a government-issued identification document under false pretenses in the first degree); section 710-1016.6 (impersonating a law enforcement officer in the first degree); section 710-1017.5 (sale or manufacture of deceptive identification document); section 710-1018 (securing the proceeds of an offense); section 710-1021 (escape in the second degree); section 710-1023 (promoting prison contraband in the second degree); section 710-1024 (bail jumping in the first degree); section 710-1029 (hindering prosecution in the first degree); section 710-1060 (perjury); section 710-1072.5 (obstruction of justice); section 711-1103 (riot); ~~[section 711-1109.3 (cruelty to animals; fighting dogs);]~~ section 711-1109.35 (cruelty to animals by fighting dogs in the second degree); section 711-1110.9 (violation of privacy in the first degree); section 711-1112 (interference with the operator of a public transit vehicle); section 712-1221 (promoting gambling in the first degree); section 712-1222.5 (promoting gambling aboard ships); section 712-1224 (possession of gambling records in the first degree); section 712-1243 (promoting a dangerous drug in the third degree); section 712-1246 (promoting a harmful drug in the third degree); section 712-1247 (promoting a detrimental drug in the first degree); ~~[section 712-1249.6 (promoting a controlled substance in, on, or near schools, school vehicles, or public parks);]~~ section 712-1249.6(1)(a), (b), or (c) (promoting a controlled substance in, on, or near schools, school vehicles, public parks, or public housing projects or complexes); section 803-42 (interception, access, and disclosure of wire, oral, or electronic communications, use of pen register, trap and trace device, and mobile tracking device prohibited); or section 846E-9 (failure to comply with covered offender registration requirements).

(b) Criminal charges may be instituted by written information for a felony when the charge is a class B felony under section 134-7(b) (ownership or possession prohibited, when; penalty); ~~[[section]]~~ 134-23 (place to keep loaded firearms other than pistols and revolvers; penalties); section 134-25 (place to keep pistol or revolver; penalty); section 134-26 (carrying or possessing a loaded firearm on a public highway; penalty); section 329-43.5 (prohibited acts related to drug paraphernalia); section 708-810 (burglary in the first degree); section 708-830.5 (theft in the first degree); section 708-839.7 (identity theft in the second degree); section 708-851 (forgery in the first degree); ~~[section 708-891 (computer~~

~~fraud in the first degree); section 708-891.5 (computer fraud in the second degree); section 708-892 (computer damage in the first degree); section 708-892.5 (computer damage in the second degree); section 712-1240.8 (methamphetamine trafficking in the second degree); section 712-1242 (promoting a dangerous drug in the second degree); section 712-1245 (promoting a harmful drug in the second degree); or section 712-1249.5 (commercial promotion of marijuana in the second degree).~~”

SECTION 34. Section 835-3, Hawaii Revised Statutes, is amended to read as follows:

**“§835-3 Material witness order; commencement of proceeding by application; procurement of appearance of prospective witness.** (a) A proceeding to adjudge a person a material witness must be commenced by application to the appropriate court, made in writing and subscribed and sworn to by the applicant, demonstrating reasonable cause to believe the existence of facts, as specified in ~~subdivision one of section 835-2,~~ section 835-2(a), warranting the adjudication of ~~such~~ the person as a material witness.

(b) If the court is satisfied that the application is well-founded, the prospective witness may be compelled to appear in response thereto as follows:

(1) The court may issue an order directing the prospective witness to appear therein at a designated time in order that a determination may be made whether the prospective witness should be adjudged a material witness and, upon personal service of ~~such~~ the order or a copy thereof within the State, the prospective witness ~~must~~ shall so appear~~[-]; and~~

(2) If in addition to the allegations specified in ~~subdivision one,~~ section 835-2(a), the application contains further allegations demonstrating to the satisfaction of the court reasonable cause to believe that:

~~(i)~~ (A) ~~the~~ The witness would be unlikely to respond to such an order~~[-]; or~~

~~(ii)~~ (B) ~~after~~ After previously having been served with such an order, the witness did not respond thereto,

the court may issue a warrant addressed to a police officer, directing ~~such~~ the officer to take ~~such~~ the prospective witness into custody within the State and to bring the prospective witness before the court forthwith in order that a proceeding may be conducted to determine whether the prospective witness is to be adjudged a material witness.”

SECTION 35. Section 846-2.7, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

~~(b)~~ (b) Criminal history record checks may be conducted by:

(1) The department of health or the department’s designee on operators of adult foster homes or developmental disabilities domiciliary homes and their employees, as provided by section 333F-22;

(2) The department of health or the department’s designee on prospective employees, persons seeking to serve as providers, or subcontractors in positions that place them in direct contact with clients when providing non-witnessed direct mental health services as provided by section 321-171.5;

(3) The department of health or the department’s designee on all applicants for licensure for, operators for, prospective employees, and volunteers at one or more of the following: skilled nursing facil-

ity, intermediate care facility, adult residential care home, expanded adult residential care home, assisted living facility, home health agency, hospice, adult day health center, special treatment facility, therapeutic living program, intermediate care facility for individuals with intellectual disabilities, hospital, rural health center and rehabilitation agency, and, in the case of any of the above facilities operating in a private residence, on any adult living in the facility other than the client as provided by section 321-15.2;

- (4) The department of education on employees, prospective employees, and teacher trainees in any public school in positions that necessitate close proximity to children as provided by section 302A-601.5;
- (5) The counties on employees and prospective employees who may be in positions that place them in close proximity to children in recreation or child care programs and services;
- (6) The county liquor commissions on applicants for liquor licenses as provided by section 281-53.5;
- (7) The county liquor commissions on employees and prospective employees involved in liquor administration, law enforcement, and liquor control investigations;
- (8) The department of human services on operators and employees of child caring institutions, child placing organizations, and foster boarding homes as provided by section 346-17;
- (9) The department of human services on prospective adoptive parents as established under section 346-19.7;
- (10) The department of human services on applicants to operate child care facilities, prospective employees of the applicant, and new employees of the provider after registration or licensure as provided by section 346-154;
- (11) The department of human services on persons exempt pursuant to section 346-152 to be eligible to provide child care and receive child care subsidies as provided by section 346-152.5;
- (12) The department of health on operators and employees of home and community-based case management agencies and operators and other adults, except for adults in care, residing in foster family homes as provided by section 321-484;
- (13) The department of human services on staff members of the Hawaii youth correctional facility as provided by section 352-5.5;
- (14) The department of human services on employees, prospective employees, and volunteers of contracted providers and subcontractors in positions that place them in close proximity to youth when providing services on behalf of the office or the Hawaii youth correctional facility as provided by section 352D-4.3;
- (15) The judiciary on employees and applicants at detention and shelter facilities as provided by section 571-34;
- (16) The department of public safety on employees and prospective employees who are directly involved with the treatment and care of persons committed to a correctional facility or who possess police powers including the power of arrest as provided by section 353C-5;
- (17) The board of private detectives and guards on applicants for private detective or private guard licensure as provided by section 463-9;
- (18) Private schools and designated organizations on employees and prospective employees who may be in positions that necessitate close proximity to children; provided that private schools and designated organizations receive only indications of the states from which the

- national criminal history record information was provided pursuant to section 302C-1;
- (19) The public library system on employees and prospective employees whose positions place them in close proximity to children as provided by section 302A-601.5;
  - (20) The State or any of its branches, political subdivisions, or agencies on applicants and employees holding a position that has the same type of contact with children, vulnerable adults, or persons committed to a correctional facility as other public employees who hold positions that are authorized by law to require criminal history record checks as a condition of employment as provided by section 78-2.7;
  - (21) The department of health on licensed adult day care center operators, employees, new employees, subcontracted service providers and their employees, and adult volunteers as provided by section 321-496;
  - (22) The department of human services on purchase of service contracted and subcontracted service providers and their employees serving clients of the [[adult protective and community services branch]], as provided by section 346-97;
  - (23) The department of human services on foster grandparent program, senior companion program, and respite companion program participants as provided by section 346-97;
  - (24) The department of human services on contracted and subcontracted service providers and their current and prospective employees that provide home and community-based services under section 1915(c) of the Social Security Act, title 42 United States Code section 1396n(c), or under any other applicable section or sections of the Social Security Act for the purposes of providing home and community-based services, as provided by section 346-97;
  - (25) The department of commerce and consumer affairs on proposed directors and executive officers of a bank, savings bank, savings and loan association, trust company, and depository financial services loan company as provided by section 412:3-201;
  - (26) The department of commerce and consumer affairs on proposed directors and executive officers of a nondepository financial services loan company as provided by section 412:3-301;
  - (27) The department of commerce and consumer affairs on the original chartering applicants and proposed executive officers of a credit union as provided by section 412:10-103;
  - (28) The department of commerce and consumer affairs on:
    - (A) Each principal of every non-corporate applicant for a money transmitter license; and
    - (B) The executive officers, key shareholders, and managers in charge of a money transmitter's activities of every corporate applicant for a money transmitter license,
 as provided by sections 489D-9 and 489D-15;
  - (29) The department of commerce and consumer affairs on applicants for licensure and persons licensed under title 24;
  - (30) The Hawaii health systems corporation on:
    - (A) Employees;
    - (B) Applicants seeking employment;
    - (C) Current or prospective members of the corporation board or regional system board; or
    - (D) Current or prospective volunteers, providers, or contractors,

- in any of the corporation's health facilities as provided by section 323F-5.5;
- (31) The department of commerce and consumer affairs on:
    - (A) An applicant for a mortgage loan originator license; and
    - (B) Each control person, executive officer, director, general partner, and manager of an applicant for a mortgage loan originator company license,
 as provided by chapter 454F;
  - (32) The state public charter school commission or public charter schools on employees, teacher trainees, prospective employees, and prospective teacher trainees in any public charter school for any position that places them in close proximity to children, as provided in section 302D-33;
  - (33) The counties on prospective employees who work with children, vulnerable adults, or senior citizens in community-based programs;
  - (34) The counties on prospective employees for fire department positions which involve contact with children or vulnerable adults;
  - (35) The counties on prospective employees for emergency medical services positions which involve contact with children or vulnerable adults;
  - (36) The counties on prospective employees for emergency management positions and community volunteers whose responsibilities involve planning and executing homeland security measures including viewing, handling, and engaging in law enforcement or classified meetings and assisting vulnerable citizens during emergencies or crises;
  - (37) The State and counties on employees, prospective employees, volunteers, and contractors whose position responsibilities require unescorted access to secured areas and equipment related to a traffic management center;
  - (38) The State and counties on employees and prospective employees whose positions involve the handling or use of firearms for other than law enforcement purposes;
  - (39) The State and counties on current and prospective systems analysts and others involved in an agency's information technology operation whose position responsibilities provide them with access to proprietary, confidential, or sensitive information;
  - (40)  The department of commerce and consumer affairs on applicants for real estate appraiser licensure or certification as provided by chapter 466K; and
  - (41)  Any other organization, entity, or the State, its branches, political subdivisions, or agencies as may be authorized by state law."

**PART II.**

SECTION 36. Section 180-2, Hawaii Revised Statutes, is amended to read as follows:

**“§180-2 General powers and duties of department.** The department of land and natural resources shall keep a record of its official actions<sup>[;]</sup> and may perform ~~[such] acts<sup>[;]</sup>~~ and ~~[promulgate such]~~ adopt rules ~~[and regulations]~~ as may be necessary for the execution of its functions under this chapter. It may call upon the attorney general for legal services<sup>[;]</sup> or employ its own counsel in conformity with section ~~[103D-209(b).]~~ 28-8.3. It may delegate to any member, agent, or employee, ~~[such]~~ powers and duties as it may deem proper. Upon re-

quest of the department, other agencies of the state government [~~shall~~], insofar as available appropriations and resources will permit, shall assign staff members or personnel to the department, and make [~~such~~] reports, surveys, or studies as the department may request.”

SECTION 37. Section 383-103, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) In any civil action to enforce this chapter, the department of labor and industrial relations and the State may be represented by the attorney general or by any qualified attorney who is employed by the department for [~~such~~] that purpose in conformity with section [~~103D-209(b);~~] 28-8.3.”

SECTION 38. Section 392-76, Hawaii Revised Statutes, is amended to read as follows:

“**§392-76 Representation.** In any proceeding for judicial review pursuant to section 392-75, the director may be represented by the attorney general or by any qualified attorney who is employed by the department for [~~such~~] that purpose in conformity with section [~~103D-209(b);~~] 28-8.3.”

SECTION 39. Section 674-5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Upon application by a claimant, the panel, under appropriate circumstances and in accordance with section [~~103D-209(b);~~] 28-8.3. may provide for legal services to assist a claimant in the preparation and presentation of a claim for review by the panel under this chapter.”

SECTION 40. Section 674-13, Hawaii Revised Statutes, is amended to read as follows:

“**§674-13 Legal adviser.** The panel, in accordance with section [~~103D-209(b);~~] 28-8.3. shall obtain its own legal counsel to provide legal services necessary to implement the purposes of this chapter.”

### PART III.

SECTION 41. Section 323-3, Hawaii Revised Statutes, is amended to read as follows:

“~~[[§323-3]]~~ **Practice by advanced practice registered nurses.** Each hospital in the State licensed under section 321-14.5 shall allow advanced practice registered nurses ~~[[licensed]]~~ pursuant to section 457-8.5 and qualified advanced practice registered nurses granted prescriptive authority pursuant to section 457-8.6 to practice at the hospital within the full scope of practice authorized under chapter 457, including practice as a primary care provider.”

SECTION 42. Section 325-121, Hawaii Revised Statutes, is amended by amending the definition of “health care provider” to read as follows:

““Health care provider” means a program, agency, clinic, health care center, physician licensed under the provisions of chapter 453, advanced practice registered nurse ~~[[licensed]]~~ under the provisions of chapter 457, pharmacist licensed under the provisions of chapter 461, physician’s assistant licensed under the provisions of chapter 453, person authorized to practice medicine as a physician or physician’s assistant, or nursing as an advanced practice registered

nurse, in federal facilities located in the State, that administers immunizations in Hawaii, or any other person authorized to prescribe vaccinations in Hawaii.”

SECTION 43. Section 327K-1, Hawaii Revised Statutes, is amended by amending the definition of “patient’s provider” to read as follows:

““Patient’s provider” means a physician licensed pursuant to chapter 453 or an advanced practice registered nurse ~~[[licensed]]~~ pursuant to chapter 457 who has examined the patient.”

SECTION 44. Section 346C-8, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) An individual qualifying for long-term care services under the program shall have written certification from a physician or osteopathic physician licensed under chapter 453 or an advanced practice registered nurse ~~[recognized]~~ licensed under section 457-8.5, assigned by the board of trustees certifying that the individual requires one or more long-term care services for the period of time during which the individual receives the benefits under the program. The written certification shall specify that the individual:

- (1) Is unable to perform, without substantial assistance from another individual, at least two of six activities of daily living for a period of at least ninety days due to a loss of functional capacity; or
- (2) Requires substantial supervision to protect the individual from threats to health and safety to self or others due to severe cognitive impairment.”

SECTION 45. Section 431:10A-116, Hawaii Revised Statutes, is amended to read as follows:

**“§431:10A-116 Coverage for specific services.** Every person insured under a policy of accident and health or sickness insurance delivered or issued for delivery in this State shall be entitled to the reimbursements and coverages specified below:

- (1) Notwithstanding any provision to the contrary, whenever a policy, contract, plan, or agreement provides for reimbursement for any visual or optometric service, which is within the lawful scope of practice of a duly licensed optometrist, the person entitled to benefits or the person performing the services shall be entitled to reimbursement whether the service is performed by a licensed physician or by a licensed optometrist. Visual or optometric services shall include eye or visual examination, or both, or a correction of any visual or muscular anomaly, and the supplying of ophthalmic materials, lenses, contact lenses, spectacles, eyeglasses, and appurtenances thereto;
- (2) Notwithstanding any provision to the contrary, for all policies, contracts, plans, or agreements issued on or after May 30, 1974, whenever provision is made for reimbursement or indemnity for any service related to surgical or emergency procedures, which is within the lawful scope of practice of any practitioner licensed to practice medicine in this State, reimbursement or indemnification under ~~[such]~~ the policy, contract, plan, or agreement shall not be denied when ~~[such]~~ the services are performed by a dentist acting within the lawful scope of the dentist’s license;
- (3) Notwithstanding any provision to the contrary, whenever the policy provides reimbursement or payment for any service, which is within the lawful scope of practice of a psychologist licensed in this State,



the person entitled to benefits or performing the service shall be entitled to reimbursement or payment, whether the service is performed by a licensed physician or licensed psychologist;

- (4) Notwithstanding any provision to the contrary, each policy, contract, plan, or agreement issued on or after February 1, 1991, except for policies that only provide coverage for specified diseases or other limited benefit coverage, but including policies issued by companies subject to chapter 431, article 10A, part II and chapter 432, article 1 shall provide coverage for screening by low-dose mammography for occult breast cancer as follows:
- (A) For women forty years of age and older, an annual mammogram; and
  - (B) For a woman of any age with a history of breast cancer or whose mother or sister has had a history of breast cancer, a mammogram upon the recommendation of the woman's physician.

The services provided in this paragraph are subject to any co-insurance provisions that may be in force in these policies, contracts, plans, or agreements.

For the purpose of this paragraph, the term "low-dose mammography" means the x-ray examination of the breast using equipment dedicated specifically for mammography, including but not limited to the x-ray tube, filter, compression device, screens, films, and cassettes, with an average radiation exposure delivery of less than one rad mid-breast, with two views for each breast. An insurer may provide the services required by this paragraph through contracts with providers; provided that the contract is determined to be a cost-effective means of delivering the services without sacrifice of quality and meets the approval of the director of health;

- (5) (A) (i) Notwithstanding any provision to the contrary, whenever a policy, contract, plan, or agreement provides coverage for the children of the insured, that coverage shall also extend to the date of birth of any newborn child to be adopted by the insured; provided that the insured gives written notice to the insurer of the insured's intent to adopt the child prior to the child's date of birth or within thirty days after the child's birth or within the time period required for enrollment of a natural born child under the policy, contract, plan, or agreement of the insured, whichever period is longer; provided further that if the adoption proceedings are not successful, the insured shall reimburse the insurer for any expenses paid for the child; and
- (ii) Where notification has not been received by the insurer prior to the child's birth or within the specified period following the child's birth, insurance coverage shall be effective from the first day following the insurer's receipt of legal notification of the insured's ability to consent for treatment of the infant for whom coverage is sought; and
- (B) When the insured is a member of a health maintenance organization (HMO), coverage of an adopted newborn is effective:
- (i) From the date of birth of the adopted newborn when the newborn is treated from birth pursuant to a provider contract with the health maintenance organization, and

- written notice of enrollment in accord with the health maintenance organization's usual enrollment process is provided within thirty days of the date the insured notifies the health maintenance organization of the insured's intent to adopt the infant for whom coverage is sought; or
- (ii) From the first day following receipt by the health maintenance organization of written notice of the insured's ability to consent for treatment of the infant for whom coverage is sought and enrollment of the adopted newborn in accord with the health maintenance organization's usual enrollment process if the newborn has been treated from birth by a provider not contracting or affiliated with the health maintenance organization; and
- (6) Notwithstanding any provision to the contrary, any policy, contract, plan, or agreement issued or renewed in this State shall provide reimbursement for services provided by advanced practice registered nurses [~~recognized~~] licensed pursuant to chapter 457. Services rendered by advanced practice registered nurses are subject to the same policy limitations generally applicable to health care providers within the policy, contract, plan, or agreement."

SECTION 46. Section 431:10C-103.5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Personal injury protection benefits, with respect to any accidental harm, means all appropriate and reasonable treatment and expenses necessarily incurred as a result of the accidental harm and which are substantially comparable to the requirements for prepaid health care plans, including medical, hospital, surgical, professional, nursing, advanced practice nursing [~~recognized~~] licensed pursuant to chapter 457, dental, optometric, naturopathic medicine, chiropractic, ambulance, prosthetic services, medical equipment and supplies, products and accommodations furnished, x-ray, psychiatric, physical therapy pursuant to prescription by a medical doctor, occupational therapy, rehabilitation, and therapeutic massage by a licensed massage therapist when prescribed by a medical doctor."

SECTION 47. Section 431M-1, Hawaii Revised Statutes, is amended by amending the definition of "advanced practice registered nurse" to read as follows:

"Advanced practice registered nurse" means a person [~~recognized as such~~] licensed pursuant to chapter 457."

SECTION 48. Section 432:1-611, Hawaii Revised Statutes, is amended to read as follows:

**"[§432:1-611 Reimbursement for services of advanced practice registered nurses.]** All individual and group hospital and medical service plan contracts and medical service corporation contracts under this article shall provide reimbursement for health plan-covered services provided by advanced practice registered nurses [~~recognized~~] licensed pursuant to chapter 457."

PART IV.

SECTION 49. Act 119, Session Laws of Hawaii 2009, as amended by section 2 of Act 138, Session Laws of Hawaii 2010, is amended by amending section 6 to read as follows:

“SECTION 6. This Act shall take effect on July 1, 2009, and shall be repealed on June 30, 2015; provided that section 328L-2, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day before the effective date of Act 264, Session Laws of Hawaii 2007; provided further that ~~[section]~~ sections 328L-3[;] and 328L-4, Hawaii Revised Statutes, shall be reenacted in the form in which ~~[it]~~ they read on the day before the effective date of this Act.”

SECTION 50. Act 127, Session Laws of Hawaii 2010, is amended by amending section 4 to read as follows:

“SECTION 4. This Act shall take effect upon its approval; and shall apply to investments made or purchased after December 31, 2009[-]; provided that the amendments made to section 36-21(a), Hawaii Revised Statutes, by this Act shall not be repealed when that section is reenacted on July 1, 2015, pursuant to section 34(4) of Act 79, Session Laws of Hawaii 2009.”

SECTION 51. Act 50, Session Laws of Hawaii 2014, is amended by amending the prefatory language of section 1 to read as follows:

“SECTION 1. Act 84, Session Laws of Hawaii 2004, as amended by section 1 of Act 77, Session Laws of Hawaii 2008, as amended by ~~[section]~~ sections 1 and 2 of Act 75, Session Laws of Hawaii 2010, is amended by amending section 5 to read as follows:”

SECTION 52. Act 86, Session Laws of Hawaii 2014, is amended by amending the prefatory language of section 2 to read as follows:

“SECTION 2. Act 82, Session Laws of Hawaii 2003, as amended by section 5 of Act 152, Session Laws of Hawaii 2007, as amended by section 1 of Act 144, Session Laws of Hawaii 2008, as amended by section 3 of Act 81, Session Laws of Hawaii 2009, is amended by amending section 8 to read as follows:”

PART V.

SECTION 53. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 54. This Act shall take effect upon approval; provided that:

- (1) Section 49 shall take effect on June 29, 2015; and
- (2) Section 50 shall take effect on June 30, 2015.

(Approved May 5, 2015.)

A Bill for an Act Relating to Vaccinations.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 461-1, Hawaii Revised Statutes, is amended by amending the definition of “practice of pharmacy” to read as follows:

“Practice of pharmacy” means:

- (1) The interpretation and evaluation of prescription orders; the compounding, dispensing, and labeling of drugs and devices (except labeling by a manufacturer, packer, or distributor of nonprescription drugs and commercially legend drugs and devices); the participation in drug selection and drug utilization reviews; the proper and safe storage of drugs and devices and the maintenance of proper records [~~therefore;~~ therefor; the responsibility for advising when necessary or where regulated, of therapeutic values, content, hazards, and use of drugs and devices;
- (2) Performing the following procedures or functions as part of the care provided by and in concurrence with a “health care facility” and “health care service” as defined in section 323D-2, or a “pharmacy” or a licensed physician, or a “managed care plan” as defined in section 432E-1, in accordance with policies, procedures, or protocols developed collaboratively by health professionals, including physicians and surgeons, pharmacists, and registered nurses, and for which a pharmacist has received appropriate training required by these policies, procedures, or protocols:
  - (A) Ordering or performing routine drug therapy related patient assessment procedures;
  - (B) Ordering drug therapy related laboratory tests;
  - (C) Initiating emergency contraception oral drug therapy in accordance with a written collaborative agreement approved by the board, between a licensed physician and a pharmacist who has received appropriate training that includes programs approved by the American Council of Pharmaceutical Education (ACPE), curriculum-based programs from an ACPE-accredited college of pharmacy, state or local health department programs, or programs recognized by the board of pharmacy;
  - (D) Administering drugs orally, topically, by intranasal delivery, or by injection, pursuant to the patient’s licensed physician’s order, by a pharmacist having appropriate training that includes programs approved by the ACPE, curriculum-based programs from an ACPE-accredited college of pharmacy, state or local health department programs, or programs recognized by the board of pharmacy;
  - (E) Administering:
    - (i) Immunizations orally, by injection, or by intranasal delivery, to persons eighteen years of age or older by a pharmacist having appropriate training that includes programs approved by the ACPE, curriculum-based programs from an ACPE-accredited college of pharmacy, state or local health department programs, or programs recognized by the board of pharmacy; and
    - (ii) [~~The influenza vaccine~~] Vaccines to persons between fourteen and seventeen years of age pursuant to section 461-11.4;
  - (F) As authorized by a licensed physician’s written instructions, initiating or adjusting the drug regimen of a patient pursuant to an order or authorization made by the patient’s licensed physician and related to the condition for which the patient has been seen by the licensed physician; provided that the pharmacist shall issue written notification to the patient’s licensed

- physician or enter the appropriate information in an electronic patient record system shared by the licensed physician, within twenty-four hours;
- (G) Transmitting a valid prescription to another pharmacist for the purpose of filling or dispensing; or
  - (H) Providing consultation, information, or education to patients and health care professionals based on the pharmacist's training and for which no other licensure is required; and
- (3) The offering or performing of those acts, services, operations, or transactions necessary in the conduct, operation, management, and control of pharmacy."

SECTION 2. Section 461-8, Hawaii Revised Statutes, is amended by amending subsection (e) to read as follows:

"(e) A pharmacist who administers ~~[the influenza]~~ any vaccine to persons between the ages of fourteen and seventeen years pursuant to section 461-11.4 shall complete a training program approved by the board within every other biennial renewal period and submit proof of successful completion of the training program to the board; provided that the pharmacist shall meet these requirements prior to administering ~~[the influenza]~~ any vaccine to persons between the ages of fourteen and seventeen years."

SECTION 3. Section 461-11.4, Hawaii Revised Statutes, is amended as follows:

1. By amending the title and subsections (a) and (b) to read:

**~~[[§461-11.4]-Influenza vaccinations;]~~ Vaccinations; children.** (a) A pharmacist may administer ~~[the influenza]~~ a vaccine to persons between fourteen and seventeen years of age pursuant to a valid prescription. The pharmacist shall verify that the prescriber or the prescriber's authorized agent is the patient's medical home.

(b) After the vaccination is administered, the pharmacist shall immediately provide to the patient a vaccination record including ~~[but not limited to]~~ the following information:

- (1) The patient's name and date of birth;
- (2) The type of vaccine administered; and
- (3) The date and location ~~[on which]~~ that the vaccine was administered."

2. By amending subsection (d) to read:

"(d) All pharmacists who administer ~~[the influenza vaccine]~~ vaccines to persons between the ages of fourteen and seventeen years shall complete a training program approved by the Accreditation Council of Pharmacy Education for which a certificate of completion is issued. The pharmacist shall complete the training program and submit the completion certificate for the training program to the board prior to administering ~~[the influenza]~~ any vaccine to persons between the ages of fourteen and seventeen years."

SECTION 4. Section 461-21, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) In addition to any other actions authorized by law, the board ~~[shall have the power to]~~ may deny, revoke, or suspend any license or permit applied for or issued by the board, in accordance with this chapter, and ~~[to]~~ fine or otherwise discipline a licensee or permit holder for any cause authorized by law, including but not limited to the following:

- (1) Procuring a license through fraud, misrepresentation, or deceit;

- (2) Professional misconduct, gross carelessness, or manifest incapacity;
- (3) Permitting an unlicensed person to perform activities that require a license under this chapter;
- (4) Violation of any of the provisions of this chapter or the rules adopted pursuant thereto;
- (5) Violation of any state or federal drug, controlled substance, or poison law;
- (6) False, fraudulent, or deceptive advertising;
- (7) Any other conduct constituting fraudulent or dishonest dealings;
- (8) Failure to comply with a board order;
- (9) Making a false statement on any document submitted or required to be filed by this chapter, including a false certification of compliance with the continuing education requirement;
- (10) Habitual intemperance or addiction to the use of habit-forming drugs; or
- (11) Administering [~~the influenza~~] a vaccine to a person between fourteen and seventeen years of age without complying with section 461-11.4.”

SECTION 5. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect upon its approval.

(Approved May 5, 2015.)

## ACT 37

H.B. NO. 1099

A Bill for an Act Relating to Outdoor Advertising.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The University of Hawaii’s rainbow wahine soccer team currently plays at the Waipio peninsula soccer stadium, which is within the Waipio peninsula soccer complex. The legislature finds that the scoreboard at the stadium was found to be non-conforming by the National Collegiate Athletic Association.

The purpose of this Act is to ensure that the University of Hawaii’s rainbow wahine soccer team has access to a scoreboard that is compliant with National Collegiate Athletic Association requirements by authorizing a specific, limited outdoor advertising device that would allow for timely replacement of the non-conforming scoreboard.

SECTION 2. Section 445-112, Hawaii Revised Statutes, is amended to read as follows:

**“§445-112 Where and when permitted.** No person shall erect, maintain, or use a billboard or display any outdoor advertising device, except as provided in this section:

- (1) The display of official notices and signs, posted by order of any court or public office, or posted by any public officer in the performance of a public duty, or posted by any person required to do so by any law or rule having the force of law;
- (2) Any outdoor advertising device announcing a meeting or series of meetings is not prohibited by this section if displayed on the premises where the meeting or series of meetings will be or is being held. Meeting, as used in this section, includes all meetings regardless of whether open to the public or conducted for profit and includes but is not limited to sports events, conventions, fairs, rallies, plays, lectures, concerts, motion pictures, dances, and religious services;
- (3) Any outdoor advertising device indicating that the building or premises on which it is displayed is the residence, office, or place of business, commercial or otherwise, of any individual, partnership, joint venture, association, club, or corporation, and stating the nature of the business;
- (4) Any outdoor advertising device that advertises property or services that may be bought, rented, sold, or otherwise traded in on the premises or in the building on which the outdoor advertising device is displayed;
- (5) The offering for sale of merchandise bearing incidental advertising, including books, magazines, and newspapers, in any store, newsstand, vending machine, rack, or other place where such merchandise is regularly sold;
- (6) Any outdoor advertising device offering any land, building, or part of a building for sale or rent, if displayed on the property so offered or on the building so offered;
- (7) Any outdoor advertising device carried by persons or placed upon vehicles used for the transportation of persons or goods, except as provided under section 445-112.5, relating to vehicular advertising devices;
- (8) Any outdoor advertising device warning the public of dangerous conditions that they may encounter in nearby sections of streets, roads, paths, public places, power lines, gas and water mains, or other public utilities;
- (9) Signs serving no commercial purpose that indicate places of natural beauty, or of historical or cultural interest and that are made according to designs approved by the department of business, economic development, and tourism;
- (10) Any outdoor advertising device or billboard erected, placed, or maintained upon a state office building, if erected, placed, or maintained by authority of a state agency, department, or officer for the sole purpose of announcing cultural or educational events within the State, and if the design and location thereof has been approved by the department of business, economic development, and tourism;
- (11) Signs urging voters to vote for or against any person or issue, may be erected, maintained, and used, except where contrary to or prohibited by law;
- (12) Signs stating that a residence that is offered for sale, lease, or rent is open for inspection at the actual time the sign is displayed and showing the route to the residence; provided that the sign contains no words or designs other than the words "Open House", the address of the residence, the name of the person or agency responsible

- for the sale, and an arrow or other directional symbol and is removed during such time as the residence is not open for inspection;
- (13) The erection, maintenance, and use of billboards if the billboard is used solely for outdoor advertising devices not prohibited by this section;
  - (14) The continued display and maintenance of outdoor advertising devices actually displayed on July 8, 1965, in accordance with all laws and ordinances immediately theretofore in effect;
  - (15) The continued maintenance of any billboard actually maintained on July 8, 1965, and the display thereon of the same or new advertising devices, all in accordance with all laws and ordinances in effect immediately prior to July 9, 1965;
  - (16) Any outdoor advertising device, displayed with the authorization of the University of Hawaii, on any scoreboard of any stadium owned by the university. An outdoor advertising device displayed under this paragraph shall be on the front of the scoreboard and face the interior of the stadium;
  - (17) Any temporary outdoor advertising device attached to or supported by the structure of any stadium owned by the University of Hawaii, located within and facing the interior of the stadium, and authorized to be displayed by the university. For the purpose of this paragraph, "temporary" means displayed for a short period before the official start of organized athletic competition, during the organized athletic competition, and for a short period after the official end of the organized athletic competition; ~~and~~
  - (18) Any outdoor advertising device, displayed with the authorization of the stadium authority, on any scoreboard of any stadium operated by the stadium authority. An outdoor advertising device displayed under this paragraph shall be on the front of the scoreboard and face the interior of the stadium~~[-]; and~~
  - (19) Any outdoor advertising device, displayed with the authorization of the city and county of Honolulu, on the scoreboard of the Waipio peninsula soccer stadium. The outdoor advertising device shall be:
    - (A) Attached to the bottom of the scoreboard;
    - (B) No longer than the width of the scoreboard; and
    - (C) No higher than twenty-five per cent of the scoreboard height.The scoreboard shall be no larger than twenty-eight feet by ten feet. Any outdoor advertising device displayed pursuant to this paragraph shall be on the front of the scoreboard and face the interior of the stadium; provided that the outdoor advertising device shall not be visible from any thoroughfare."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2015.

(Approved May 5, 2015.)



A Bill for an Act Relating to Energy.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 226-2, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

““Petroleum” includes crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute).”

SECTION 2. Section 226-18, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

“(a) Planning for the State’s facility systems with regard to energy shall be directed toward the achievement of the following objectives, giving due consideration to all:

- (1) Dependable, efficient, and economical statewide energy systems capable of supporting the needs of the people;
- (2) Increased energy security and self-sufficiency [~~where the ratio of indigenous to imported energy use is increased;~~] through the reduction and ultimate elimination of Hawaii’s dependence on imported fuels for electrical generation and ground transportation;
- (3) Greater [~~energy security and~~] diversification of energy generation in the face of threats to Hawaii’s energy supplies and systems; [~~and~~]
- (4) Reduction, avoidance, or sequestration of greenhouse gas emissions from energy supply and use[.]; and
- (5) Utility models that make the social and financial interests of Hawaii’s utility customers a priority.”

2. By amending subsection (c) to read:

“(c) To further achieve the energy objectives, it shall be the policy of this State to:

- (1) Support research and development as well as promote the use of renewable energy sources;
- (2) Ensure that the combination of energy supplies and energy-saving systems is sufficient to support the demands of growth;
- (3) Base decisions of least-cost supply-side and demand-side energy resource options on a comparison of their total costs and benefits when a least-cost is determined by a reasonably comprehensive, quantitative, and qualitative accounting of their long-term, direct and indirect economic, environmental, social, cultural, and public health costs and benefits;
- (4) Promote all cost-effective conservation of power and fuel supplies through measures, including:
  - (A) Development of cost-effective demand-side management programs;
  - (B) Education; [~~and~~]
  - (C) Adoption of energy-efficient practices and technologies; and
  - (D) Increasing energy efficiency and decreasing energy use in public infrastructure;
- (5) Ensure, to the extent that new supply-side resources are needed, that the development or expansion of energy systems uses the least-cost energy supply option and maximizes efficient technologies;

- (6) Support research, development, demonstration, and use of energy efficiency, load management, and other demand-side management programs, practices, and technologies;
- (7) Promote alternate fuels and transportation energy efficiency;
- (8) Support actions that reduce, avoid, or sequester greenhouse gases in utility, transportation, and industrial sector applications;
- (9) Support actions that reduce, avoid, or sequester Hawaii's greenhouse gas emissions through agriculture and forestry initiatives;
- (10) Provide priority handling and processing for all state and county permits required for renewable energy projects; ~~and~~
- (11) Ensure that liquefied natural gas is used only as a cost-effective transitional, limited-term replacement of petroleum for electricity generation and does not impede the development and use of other cost-effective renewable energy sources; and
- ~~[(11)]~~ (12) Promote the development of indigenous geothermal energy resources that are located on public trust land as an affordable and reliable source of firm power for Hawaii."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2015.

(Approved May 5, 2015.)

## ACT 39

H.B. NO. 1272

A Bill for an Act Relating to Movie Theaters.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 489, Hawaii Revised Statutes, is amended by adding a new section to part I to be appropriately designated and to read as follows:

**"§489- Motion picture theater accommodation.** (a) A public accommodation that owns, leases, leases to, or operates a motion picture theater in more than two locations in the State shall provide open movie captioning during at least two showings per week of each motion picture that is produced and offered with open movie captioning.

(b) A public accommodation that owns, leases, leases to, or operates a motion picture theater in the State shall provide, upon request, audio description of any motion picture that is produced and offered with audio description.

(c) A violation of this section shall be a discriminatory practice.

(d) This section shall apply to motion pictures that are produced and distributed with the necessary auxiliary aids and services, including captioning and audio description. This section shall not prohibit the showing of a motion picture that is produced and distributed without captioning and audio description; provided that a public accommodation that owns, leases, leases to, or operates a motion picture theater shall provide notice to the public if a motion picture offered for viewing is produced and distributed without captioning or audio description.

(e) For the purposes of this section, "motion picture theater" means a movie theater, screening room, or other venue in use primarily for the exhibition of a motion picture."

SECTION 2. New statutory material is underscored.<sup>1</sup>

SECTION 3. This Act shall take effect on January 1, 2016, and shall be repealed on January 1, 2018.

(Approved May 6, 2015.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 40

S.B. NO. 611

A Bill for an Act Relating to Use of Intoxicants While Operating a Vehicle.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 286-118.5, Hawaii Revised Statutes, is amended to read as follows:

**“~~§286-118.5~~ License revoked for operating a vehicle under the influence of an intoxicant; eligibility for license renewal.** (a) Notwithstanding any other law to the contrary, any person arrested for a violation of section 291E-61 or 291E-61.5 after December 31, 2010, whose license is revoked pursuant to this part or section 291E-61, and who otherwise qualifies for a permit under section 291E-44.5 or 291E-61, may apply for a renewal or reactivation of a driver’s license as provided in section 286-107 or 286-107.5~~;~~ ~~provided~~].

**(b) A person may apply for relicensing under subsection (a); provided that:**

- (1) The license renewal or reactivation shall be for the sole purpose of obtaining or extending a permit issued pursuant to section 291E-44.5 or 291E-61;
- (2) No physical driver’s license shall be issued to the person; and
- (3) The driver’s license shall expire as provided in section 286-106 or upon the end of the revocation period, whichever occurs first.

**(c) A holder of a valid ignition interlock permit may take any tests necessary to apply for relicensing no sooner than thirty days prior to expiration of the revocation period; provided that the driver’s license shall not be issued until the completion of the revocation period.”**

SECTION 2. Section 291E-62, Hawaii Revised Statutes, is amended to read as follows:

**“§291E-62 Operating a vehicle after license and privilege have been suspended or revoked for operating a vehicle under the influence of an intoxicant; penalties. (a) No person whose license and privilege to operate a vehicle have been revoked, suspended, or otherwise restricted pursuant to this section or to part III or section 291E-61 or 291E-61.5, or to part VII or part XIV of chapter 286 or section 200-81, 291-4, 291-4.4, 291-4.5, or 291-7 as those provisions were in effect on December 31, 2001, shall operate or assume actual physical control of any vehicle:**

- (1) In violation of any restrictions placed on the person’s license;
- (2) While the person’s license or privilege to operate a vehicle remains suspended or revoked; ~~or~~]

- (3) Without installing an ignition interlock device required by this chapter[-]; or
- (4) With an ignition interlock permit unless the person has the ignition interlock permit and a valid State of Hawaii identification card in the person's immediate possession.

(b) No person who has been issued a notice of administrative revocation that serves as a temporary permit by a law enforcement officer, pursuant to section 291E-33, shall operate or assume actual physical control of any vehicle after the expiration of the temporary permit unless that person has an otherwise valid driver's license. No person charged with violating this section shall be convicted if the person produces in court, or proves from the proper official or other records, that the person was the holder of a valid driver's license at the time of the offense.

~~[(b)]~~ (c) Any person convicted of violating this section shall be sentenced as follows without possibility of probation or suspension of sentence:

- (1) For a first offense, or any offense not preceded within a five-year period by conviction for an offense under this section, section 291E-66, or section 291-4.5 as that section was in effect on December 31, 2001:
  - (A) A term of imprisonment of not less than three consecutive days but not more than thirty days;
  - (B) A fine of not less than \$250 but not more than \$1,000;
  - (C) Revocation of license and privilege to operate a vehicle for an additional year; and
  - (D) Loss of the privilege to operate a vehicle equipped with an ignition interlock device, if applicable;
- (2) For an offense that occurs within five years of a prior conviction for an offense under this section, section 291E-66, or section 291-4.5 as that section was in effect on December 31, 2001:
  - (A) Thirty days imprisonment;
  - (B) A \$1,000 fine;
  - (C) Revocation of license and privilege to operate a vehicle for an additional two years; and
  - (D) Loss of the privilege to operate a vehicle equipped with an ignition interlock device, if applicable; and
- (3) For an offense that occurs within five years of two or more prior convictions for offenses under this section, section 291E-66, or section 291-4.5 as that section was in effect on December 31, 2001, or any combination thereof:
  - (A) One year imprisonment;
  - (B) A \$2,000 fine;
  - (C) Permanent revocation of the person's license and privilege to operate a vehicle; and
  - (D) Loss of the privilege to operate a vehicle equipped with an ignition interlock device, if applicable.

~~[(e)]~~ (d) The applicable period of revocation in subsection ~~[(b)]~~ (c) shall commence upon the release of the person from the period of imprisonment imposed pursuant to this section."

SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

## ACT 41

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on January 1, 2016.  
(Approved May 6, 2015.)

## ACT 41

H.B. NO. 279

A Bill for an Act Relating to Real Estate Brokers and Salespersons.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 467-14, Hawaii Revised Statutes, is amended to read as follows:

**“§467-14 Revocation, suspension, and fine.** In addition to any other actions authorized by law, the commission may revoke any license issued under this chapter, suspend the right of the licensee to use the license, fine any person holding a license, registration, or certificate issued under this chapter, or terminate any registration or certificate issued under this chapter, for any cause authorized by law, including but not limited to the following:

- (1) Making any misrepresentation concerning any real estate transaction;
- (2) Making any false promises concerning any real estate transaction of a character likely to mislead another;
- (3) Pursuing a continued and flagrant course of misrepresentation, or making of false promises through advertising or otherwise;
- (4) Without first having obtained the written consent to do so of both parties involved in any real estate transaction, acting for both the parties in connection with the transaction, or collecting or attempting to collect commissions or other compensation for the licensee's services from both of the parties;
- (5) When the licensee, being a real estate salesperson, accepts any commission or other compensation for the performance of any of the acts enumerated in the definition set forth in section 467-1 of real estate salesperson from any person other than the real estate salesperson's employer or the real estate broker with whom the real estate salesperson associates or, being a real estate broker or salesperson, compensates one not licensed under this chapter to perform any such act;
- (6) When the licensee, being a real estate salesperson, acts or attempts to act as a real estate broker or represents, or attempts to represent, any real estate broker other than the real estate salesperson's employer or the real estate broker with whom the real estate salesperson is associated;
- (7) Failing, within a reasonable time, to account for any moneys belonging to others that may be in the possession or under the control of the licensee;
- (8) Any other conduct constituting fraudulent or dishonest dealings;
- (9) When the licensee, being a partnership, permits any member of the partnership who does not hold a real estate broker's license to actively participate in the real estate brokerage business thereof or

- permits any employee thereof who does not hold a real estate salesperson's license to act as a real estate salesperson therefor;
- (10) When the licensee, being a corporation, permits any officer or employee of the corporation who does not hold a real estate broker's license to have the direct management of the real estate brokerage business thereof or permits any officer or employee thereof who does not hold a real estate salesperson's license to act as a real estate salesperson therefor;
  - (11) When the licensee, being a real estate salesperson, fails to file with the commission a written statement setting forth the name of the real estate broker by whom the licensee is employed or with whom the licensee is associated;
  - (12) When the licensee fails to obtain on the contract between the parties to the real estate transaction confirmation of who the real estate broker represents;
  - (13) Violating this chapter; chapter 484, 514A, 514B, 514E, or 515; section 516-71; or the rules adopted pursuant thereto;
  - (14) Splitting fees with or otherwise compensating others not licensed hereunder for referring business; provided that notwithstanding paragraph (5), a real estate broker may pay a commission to:
    - (A) A licensed real estate broker of another state, territory, or possession of the United States if that real estate broker does not conduct in this State any of the negotiations for which a commission is paid;
    - (B) A real estate broker lawfully engaged in real estate brokerage activity under the laws of a foreign country if that real estate broker does not conduct in this State any of the negotiations for which a commission is paid; or
    - (C) A travel agency that in the course of business as a travel agency or sales representative, arranges for compensation the rental of a transient vacation rental; provided that for purposes of this paragraph, "travel agency" means any person that, for compensation or other consideration, acts or attempts to act as an intermediary between a person seeking to purchase travel services and any person seeking to sell travel services, including an air or ocean carrier;
  - (15) Commingling the money or other property of the licensee's principal with the licensee's own;
  - (16) Converting other people's moneys to the licensee's own use;
  - (17) The licensee is adjudicated insane or incompetent;
  - (18) Failing to ascertain and disclose all material facts concerning every property for which the licensee accepts the agency, so that the licensee may fulfill the licensee's obligation to avoid error, misrepresentation, or concealment of material facts; provided that for the purposes of this paragraph, the fact that an occupant has AIDS or AIDS Related Complex (ARC) or has been tested for HIV (human immunodeficiency virus) infection shall not be considered a material fact;
  - (19) When the licensee obtains or causes to be obtained, directly or indirectly, any licensing examination or licensing examination question for the purpose of disseminating the information to future takers of the examination for the benefit or gain of the licensee;
  - (20) Failure to maintain a reputation for or record of competency, honesty, truthfulness, financial integrity, and fair dealing; [ø]

- (21) Acquiring an ownership interest, directly or indirectly, or by means of a subsidiary or affiliate, in any distressed property that is listed with the licensee or within three hundred sixty-five days after the licensee's listing agreement for the distressed property has expired or is terminated[-]; or
- (22) When the licensee, being a real estate broker or a real estate salesperson, acting on behalf of a seller or purchaser of real estate, acts in a manner that prohibits a prospective purchaser or prospective seller of real estate from being able to retain the services of a real estate broker or real estate salesperson.

For the purposes of paragraphs (1) and (18), the real estate commission shall consider whether the licensee relied in good faith on information provided by other persons or third parties.

As used in this section, "distressed property" has the same meaning as set forth in section 480E-2.

Disciplinary action may be taken by the commission whether the licensee is acting as a real estate broker, or real estate salesperson, or on the licensee's own behalf."

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on November 2, 2015.

(Approved May 6, 2015.)

**ACT 42**

H.B. NO. 1325

A Bill for an Act Relating to Stormwater Management.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that climate change poses a significant threat to the economy and environment of the Hawaiian islands and has contributed to an eighteen per cent drop in precipitation over the past thirty years. This increasing drying trend, coupled with growth in the State's population, will likely raise the demand for water and compromise Hawaii's fresh water supplies over the coming decades. If Hawaii does not begin planning ahead, ensuring the islands' supply of fresh water in the future may cost the public a great deal as the cost of desalination and other alternatives rise.

The legislature further finds that changes in land use from forested areas to urban development and other human uses increase the amount of rain ending up as storm runoff instead of replenishing the State's aquifers. Encouraging the adoption of best practices and infrastructure investment by the counties to capture and retain rainfall in Hawaii for potable water before it becomes stormwater runoff that results in pollution to streams, wetlands, and near-shore ocean areas will save the public significantly in the long run.

The purpose of this Act is to encourage the protection of water resources by authorizing counties to charge user fees to create and maintain stormwater management systems or infrastructure.

SECTION 2. Section 46-1.5, Hawaii Revised Statutes, is amended to read as follows:

**“§46-1.5 General powers and limitation of the counties.** Subject to general law, each county shall have the following powers and shall be subject to the following liabilities and limitations:

- (1) Each county shall have the power to frame and adopt a charter for its own self-government that shall establish the county executive, administrative, and legislative structure and organization, including but not limited to the method of appointment or election of officials, their duties, responsibilities, and compensation, and the terms of their office;
- (2) Each county shall have the power to provide for and regulate the marking and lighting of all buildings and other structures that may be obstructions or hazards to aerial navigation, so far as may be necessary or proper for the protection and safeguarding of life, health, and property;
- (3) Each county shall have the power to enforce all claims on behalf of the county and approve all lawful claims against the county, but shall be prohibited from entering into, granting, or making in any manner any contract, authorization, allowance payment, or liability contrary to the provisions of any county charter or general law;
- (4) Each county shall have the power to make contracts and to do all things necessary and proper to carry into execution all powers vested in the county or any county officer;
- (5) Each county shall have the power to:
  - (A) Maintain channels, whether natural or artificial, including their exits to the ocean, in suitable condition to carry off storm waters;
  - (B) Remove from the channels, and from the shores and beaches, any debris that is likely to create an unsanitary condition or become a public nuisance; provided that, to the extent any of the foregoing work is a private responsibility, the responsibility may be enforced by the county in lieu of the work being done at public expense;
  - (C) Construct, acquire by gift, purchase, or by the exercise of eminent domain, reconstruct, improve, better, extend, and maintain projects or undertakings for the control of and protection against floods and flood waters, including the power to drain and rehabilitate lands already flooded; ~~and~~
  - (D) Enact zoning ordinances providing that lands deemed subject to seasonable, periodic, or occasional flooding shall not be used for residence or other purposes in a manner as to endanger the health or safety of the occupants thereof, as required by the Federal Flood Insurance Act of 1956 (chapter 1025, Public Law 1016); and
  - (E) Establish and charge user fees to create and maintain any stormwater management system or infrastructure;
- (6) Each county shall have the power to exercise the power of condemnation by eminent domain when it is in the public interest to do so;
- (7) Each county shall have the power to exercise regulatory powers over business activity as are assigned to them by chapter 445 or other general law;



- (8) Each county shall have the power to fix the fees and charges for all official services not otherwise provided for;
- (9) Each county shall have the power to provide by ordinance assessments for the improvement or maintenance of districts within the county;
- (10) Except as otherwise provided, no county shall have the power to give or loan credit to, or in aid of, any person or corporation, directly or indirectly, except for a public purpose;
- (11) Where not within the jurisdiction of the public utilities commission, each county shall have the power to regulate by ordinance the operation of motor vehicle common carriers transporting passengers within the county and adopt and amend rules the county deems necessary for the public convenience and necessity;
- (12) Each county shall have the power to enact and enforce ordinances necessary to prevent or summarily remove public nuisances and to compel the clearing or removal of any public nuisance, refuse, and uncultivated undergrowth from streets, sidewalks, public places, and unoccupied lots. In connection with these powers, each county may impose and enforce liens upon the property for the cost to the county of removing and completing the necessary work where the property owners fail, after reasonable notice, to comply with the ordinances. The authority provided by this paragraph shall not be self-executing, but shall become fully effective within a county only upon the enactment or adoption by the county of appropriate and particular laws, ordinances, or rules defining "public nuisances" with respect to each county's respective circumstances. The counties shall provide the property owner with the opportunity to contest the summary action and to recover the owner's property;
- (13) Each county shall have the power to enact ordinances deemed necessary to protect health, life, and property, and to preserve the order and security of the county and its inhabitants on any subject or matter not inconsistent with, or tending to defeat, the intent of any state statute where the statute does not disclose an express or implied intent that the statute shall be exclusive or uniform throughout the State;
- (14) Each county shall have the power to:
  - (A) Make and enforce within the limits of the county all necessary ordinances covering all:
    - (i) Local police matters;
    - (ii) Matters of sanitation;
    - (iii) Matters of inspection of buildings;
    - (iv) Matters of condemnation of unsafe structures, plumbing, sewers, dairies, milk, fish, and morgues; and
    - (v) Matters of the collection and disposition of rubbish and garbage;
  - (B) Provide exemptions for homeless facilities and any other program for the homeless authorized by part XVII of chapter 346, for all matters under this paragraph;
  - (C) Appoint county physicians and sanitary and other inspectors as necessary to carry into effect ordinances made under this paragraph, who shall have the same power as given by law to agents of the department of health, subject only to limitations placed on them by the terms and conditions of their appointments; and

- (D) Fix a penalty for the violation of any ordinance, which penalty may be a misdemeanor, petty misdemeanor, or violation as defined by general law;
- (15) Each county shall have the power to provide public pounds; to regulate the impounding of stray animals and fowl, and their disposition; and to provide for the appointment, powers, duties, and fees of animal control officers;
- (16) Each county shall have the power to purchase and otherwise acquire, lease, and hold real and personal property within the defined boundaries of the county and to dispose of the real and personal property as the interests of the inhabitants of the county may require, except that:
  - (A) Any property held for school purposes may not be disposed of without the consent of the superintendent of education;
  - (B) No property bordering the ocean shall be sold or otherwise disposed of; and
  - (C) All proceeds from the sale of park lands shall be expended only for the acquisition of property for park or recreational purposes;
- (17) Each county shall have the power to provide by charter for the prosecution of all offenses and to prosecute for offenses against the laws of the State under the authority of the attorney general of the State;
- (18) Each county shall have the power to make appropriations in amounts deemed appropriate from any moneys in the treasury, for the purpose of:
  - (A) Community promotion and public celebrations;
  - (B) The entertainment of distinguished persons as may from time to time visit the county;
  - (C) The entertainment of other distinguished persons, as well as, public officials when deemed to be in the best interest of the community; and
  - (D) The rendering of civic tribute to individuals who, by virtue of their accomplishments and community service, merit civic commendations, recognition, or remembrance;
- (19) Each county shall have the power to:
  - (A) Construct, purchase, take on lease, lease, sublease, or in any other manner acquire, manage, maintain, or dispose of buildings for county purposes, sewers, sewer systems, pumping stations, waterworks, including reservoirs, wells, pipelines, and other conduits for distributing water to the public, lighting plants, and apparatus and appliances for lighting streets and public buildings, and manage, regulate, and control the same;
  - (B) Regulate and control the location and quality of all appliances necessary to the furnishing of water, heat, light, power, telephone, and telecommunications service to the county;
  - (C) Acquire, regulate, and control any and all appliances for the sprinkling and cleaning of the streets and the public ways, and for flushing the sewers; and
  - (D) Open, close, construct, or maintain county highways or charge toll on county highways; provided that all revenues received from a toll charge shall be used for the construction or maintenance of county highways;
- (20) Each county shall have the power to regulate the renting, subletting, and rental conditions of property for places of abode by ordinance;

- (21) Unless otherwise provided by law, each county shall have the power to establish by ordinance the order of succession of county officials in the event of a military or civil disaster;
- (22) Each county shall have the power to sue and be sued in its corporate name;
- (23) Each county shall have the power to establish and maintain waterworks and sewer works; to collect rates for water supplied to consumers and for the use of sewers; to install water meters whenever deemed expedient; provided that owners of premises having vested water rights under existing laws appurtenant to the premises shall not be charged for the installation or use of the water meters on the premises; to take over from the State existing waterworks systems, including water rights, pipelines, and other appurtenances belonging thereto, and sewer systems, and to enlarge, develop, and improve the same;
- (24) (A) Each county may impose civil fines, in addition to criminal penalties, for any violation of county ordinances or rules after reasonable notice and requests to correct or cease the violation have been made upon the violator. Any administratively imposed civil fine shall not be collected until after an opportunity for a hearing under chapter 91. Any appeal shall be filed within thirty days from the date of the final written decision. These proceedings shall not be a prerequisite for any civil fine or injunctive relief ordered by the circuit court;
- (B) Each county by ordinance may provide for the addition of any unpaid civil fines, ordered by any court of competent jurisdiction, to any taxes, fees, or charges, with the exception of fees or charges for water for residential use and sewer charges, collected by the county. Each county by ordinance may also provide for the addition of any unpaid administratively imposed civil fines, which remain due after all judicial review rights under section 91-14 are exhausted, to any taxes, fees, or charges, with the exception of water for residential use and sewer charges, collected by the county. The ordinance shall specify the administrative procedures for the addition of the unpaid civil fines to the eligible taxes, fees, or charges and may require hearings or other proceedings. After addition of the unpaid civil fines to the taxes, fees, or charges, the unpaid civil fines shall not become a part of any taxes, fees, or charges. The county by ordinance may condition the issuance or renewal of a license, approval, or permit for which a fee or charge is assessed, except for water for residential use and sewer charges, on payment of the unpaid civil fines. Upon recordation of a notice of unpaid civil fines in the bureau of conveyances, the amount of the civil fines, including any increase in the amount of the fine which the county may assess, shall constitute a lien upon all real property or rights to real property belonging to any person liable for the unpaid civil fines. The lien in favor of the county shall be subordinate to any lien in favor of any person recorded or registered prior to the recordation of the notice of unpaid civil fines and senior to any lien recorded or registered after the recordation of the notice. The lien shall continue until the unpaid civil fines are paid in full or until a certificate of release or partial release of the lien, prepared by the county at the

owner's expense, is recorded. The notice of unpaid civil fines shall state the amount of the fine as of the date of the notice and maximum permissible daily increase of the fine. The county shall not be required to include a social security number, state general excise taxpayer identification number, or federal employer identification number on the notice. Recordation of the notice in the bureau of conveyances shall be deemed, at such time, for all purposes and without any further action, to procure a lien on land registered in land court under chapter 501. After the unpaid civil fines are added to the taxes, fees, or charges as specified by county ordinance, the unpaid civil fines shall be deemed immediately due, owing, and delinquent and may be collected in any lawful manner. The procedure for collection of unpaid civil fines authorized in this paragraph shall be in addition to any other procedures for collection available to the State and county by law or rules of the courts;

- (C) Each county may impose civil fines upon any person who places graffiti on any real or personal property owned, managed, or maintained by the county. The fine may be up to \$1,000 or may be equal to the actual cost of having the damaged property repaired or replaced. The parent or guardian having custody of a minor who places graffiti on any real or personal property owned, managed, or maintained by the county shall be jointly and severally liable with the minor for any civil fines imposed hereunder. Any such fine may be administratively imposed after an opportunity for a hearing under chapter 91, but such a proceeding shall not be a prerequisite for any civil fine ordered by any court. As used in this subparagraph, "graffiti" means any unauthorized drawing, inscription, figure, or mark of any type intentionally created by paint, ink, chalk, dye, or similar substances;
- (D) At the completion of an appeal in which the county's enforcement action is affirmed and upon correction of the violation if requested by the violator, the case shall be reviewed by the county agency that imposed the civil fines to determine the appropriateness of the amount of the civil fines that accrued while the appeal proceedings were pending. In its review of the amount of the accrued fines, the county agency may consider:
  - (i) The nature and egregiousness of the violation;
  - (ii) The duration of the violation;
  - (iii) The number of recurring and other similar violations;
  - (iv) Any effort taken by the violator to correct the violation;
  - (v) The degree of involvement in causing or continuing the violation;
  - (vi) Reasons for any delay in the completion of the appeal; and
  - (vii) Other extenuating circumstances.

The civil fine that is imposed by administrative order after this review is completed and the violation is corrected shall be subject to judicial review, notwithstanding any provisions for administrative review in county charters;

- (E) After completion of a review of the amount of accrued civil fine by the county agency that imposed the fine, the amount of the civil fine determined appropriate, including both the

- initial civil fine and any accrued daily civil fine, shall immediately become due and collectible following reasonable notice to the violator. If no review of the accrued civil fine is requested, the amount of the civil fine, not to exceed the total accrual of civil fine prior to correcting the violation, shall immediately become due and collectible following reasonable notice to the violator, at the completion of all appeal proceedings;
- (F) If no county agency exists to conduct appeal proceedings for a particular civil fine action taken by the county, then one shall be established by ordinance before the county shall impose the civil fine;
  - (25) Any law to the contrary notwithstanding, any county mayor, by executive order, may exempt donors, provider agencies, homeless facilities, and any other program for the homeless under part XVII of chapter 346 from real property taxes, water and sewer development fees, rates collected for water supplied to consumers and for use of sewers, and any other county taxes, charges, or fees; provided that any county may enact ordinances to regulate and grant the exemptions granted by this paragraph;
  - (26) Any county may establish a captive insurance company pursuant to article 19, chapter 431; and
  - (27) Each county shall have the power to enact and enforce ordinances regulating towing operations.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.  
(Approved May 6, 2015.)

**ACT 43**

H.B. NO. 1410

A Bill for an Act Relating to the Youth Conservation Corps.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Currently, part IV of chapter 193, Hawaii Revised Statutes, titled Youth Conservation Corps, principally applies to the State’s youth conservation corps program. This Act distinguishes this state program from other federal and nationally affiliated Youth Conservation Corps programs by changing statutory references, including the title of part IV of chapter 193, Hawaii Revised Statutes, from Youth Conservation Corps to Hawaii Youth Conservation Corps to avoid confusion.

SECTION 2. Chapter 193, part IV, Hawaii Revised Statutes, is amended by amending its title to read as follows:

**“~~PART IV.~~ HAWAII YOUTH CONSERVATION CORPS”**

SECTION 3. Section 247-7, Hawaii Revised Statutes, is amended to read as follows:

“§247-7 Disposition of taxes. All taxes collected under this chapter shall be paid into the state treasury to the credit of the general fund of the State, to be used and expended for the purposes for which the general fund was created and exists by law; provided that of the taxes collected each fiscal year:

- (1) Ten per cent shall be paid into the land conservation fund established pursuant to section 173A-5;
- (2) Twenty-five per cent from July 1, 2009, until June 30, 2012; thirty per cent from July 1, 2012, until June 30, 2014; and fifty per cent in each fiscal year thereafter shall be paid into the rental housing trust fund established by section 201H-202; and
- (3) Twenty per cent from July 1, 2009, until June 30, 2012, and twenty-five per cent in each fiscal year thereafter shall be paid into the natural area reserve fund established by section 195-9; provided that the funds paid into the natural area reserve fund shall be annually disbursed by the department of land and natural resources in the following priority:
  - (A) To natural area partnership and forest stewardship programs after joint consultation with the forest stewardship committee and the natural area reserves system commission;
  - (B) Projects undertaken in accordance with watershed management plans pursuant to section 171-58 or watershed management plans negotiated with private landowners, and management of the natural area reserves system pursuant to section 195-3; and
  - (C) The Hawaii youth conservation corps established under chapter 193.”

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.

(Approved May 6, 2015.)

**ACT 44**

H.B. NO. 1412

A Bill for an Act Relating to Education.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 40-1, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) With respect to the executive branch, except the University of Hawaii until June 30, 2016, the Hawaii tourism authority, and the department of education [~~until June 30, 2015~~], the comptroller shall have complete supervision of all accounts. The comptroller shall preaudit all proposed payments of \$10,000 or more to determine the propriety of expenditures and compliance with executive orders and rules that may be in effect. When necessary, the comptroller shall withhold approval of any payment. Whenever approval is withheld, the department or agency concerned shall be promptly notified. With respect to the University of Hawaii, the Hawaii tourism authority, and the department of education, the comptroller shall issue warrants for the release of funds for the operating costs of the university, the Hawaii tourism authority, or the department of education, as applicable, in amounts and at times mutually agreed upon

by the governor or director of finance and the university, the Hawaii tourism authority, or department of education, as applicable; provided that:

- (1) The amounts released shall not exceed the allotment ceilings for the respective funding sources of the university's or the department of education's appropriations established by the governor for an allotment period pursuant to section 37-34, or in the case of the Hawaii tourism authority, revenues received by the convention center enterprise special fund and the tourism special fund pursuant to section 237D-6.5; and
- (2) The comptroller may issue warrants as an advance from the state treasury to the University of Hawaii, the Hawaii tourism authority, and the department of education to establish a checking account and provide working capital in amounts and at times mutually agreed upon by the governor or director of finance and the University of Hawaii, the Hawaii tourism authority, and the department of education.

The University of Hawaii and the department of education shall preaudit all proposed payments of \$10,000 or more and shall preaudit samples of the population of proposed payments of less than \$10,000; provided that the sample size comprises at least five per cent of the population, and is of a size that the chief financial officers of the University of Hawaii and the department of education, as applicable, determine appropriate, to determine the propriety of expenditures and compliance with applicable laws, executive orders, and rules. The Hawaii tourism authority shall preaudit all proposed payments to determine the propriety of expenditures and compliance with applicable laws, executive orders, and rules as may be in effect. The University of Hawaii, the Hawaii tourism authority, and the department of education shall make disbursements for operating expenses from the amounts released by the comptroller and maintain records and documents necessary to support those disbursements at times mutually agreed upon by the university president, the executive director of the Hawaii tourism authority, or the superintendent of education, as applicable, and the comptroller; provided that when requested by the university, the Hawaii tourism authority, or department of education, the comptroller shall make all disbursements for the university, the Hawaii tourism authority, or department of education, as applicable, subject to available allotment. Funds released pursuant to this section shall be deposited by the university, the Hawaii tourism authority, or department of education, as applicable, in accordance with the provisions applicable to the director of finance by chapter 38. Except for moneys deposited by the Hawaii tourism authority in the convention center enterprise special fund pursuant to section 201B-8, and in the tourism special fund pursuant to section 201B-11, any interest earned on the deposit of funds released pursuant to this section shall be deposited in the state treasury at the end of each fiscal year."

SECTION 2. Section 40-2, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) The accounting system installed by the commission on public accountancy under Act 181, Session Laws of Hawaii 1923, as amended by Act 220, Session Laws of Hawaii 1925, for use in the offices of the comptroller, director of finance, departmental and agency services of the State, and the auditors, treasurers, departmental and agency services of the several counties shall be the accounting and reporting systems of the State and counties; provided that the University of Hawaii, until June 30, 2016, may install a different accounting system that shall be in conformity with generally accepted accounting principles as applied to colleges and universities; and provided further that the depart-

ment of education [~~until June 30, 2011,~~] may install a different accounting system that shall be in conformity to generally accepted accounting principles. The comptroller shall make such changes and modifications in the accounting system as shall from time to time appear to be in the best interest of the State and counties.”

SECTION 3. Section 40-4, Hawaii Revised Statutes, is amended to read as follows:

“**§40-4 Publication of statements.** The comptroller shall prepare and submit to the governor, immediately following the close of each fiscal year, a statement of income and expenditure by funds, showing the principal sources of revenue, the function or purpose for which expenditures were made, together with a consolidated statement showing similar information for all funds; also a statement showing the balance in each fund at the beginning of the fiscal year, plus the receipts, minus the disbursements, and the balance on hand at the close of the fiscal year after deducting outstanding warrants and vouchers. The comptroller may request all agencies, the judiciary, the University of Hawaii until June 30, 2016, the Hawaii tourism authority, the department of education [~~until June 30, 2011,~~] and the legislature to provide such information as may be required for the preparation of statements.”

SECTION 4. Section 40-6, Hawaii Revised Statutes, is amended to read as follows:

“**§40-6 Approval of business and accounting forms.** The comptroller shall determine the forms required to adequately supply accounting and statistical data for the state government. The comptroller shall require heads of departments and establishments of the state government to submit proposed new forms or proposed changes in current business and accounting forms for review and approval before ordering the same printed; except that the University of Hawaii until June 30, 2016, the Hawaii tourism authority, and the department of education [~~until June 30, 2011,~~] shall be subject to this requirement only with respect to uniform business and accounting forms of statewide use in the State’s accounting system. All standard state forms shall be classified, numbered, and standardized in design, dimensions, color, and grade of paper and recorded in a catalogue of accounting and statistical forms by the comptroller.”

SECTION 5. Section 40-58, Hawaii Revised Statutes, is amended to read as follows:

“**§40-58 In favor of assignees.** No assignment of moneys by a person to whom the State is directly indebted shall be effective unless the assignment is first approved by the comptroller or, in the case of the University of Hawaii until June 30, 2016, and the department of education [~~until June 30, 2011,~~] by their respective chief financial officers. The comptroller or the chief financial officers of the University of Hawaii and the department of education may prescribe the form for an assignment, and may approve the assignment within a reasonable time period if, in their respective discretion, the rights or obligations of the State, the University of Hawaii, or the department of education under any contract or other undertaking or under any law, rule, or order by a competent authority will not be prejudiced thereby. Upon approval of the assignment, the comptroller or the respective chief financial officers of the University of Hawaii and the department of education shall draw a warrant payable to the assignee. Except



as to contracts encumbered by the comptroller, the University of Hawaii, or the department of education, each expending agency, upon notification of the comptroller's approval of an assignment, shall prepare a claim for payment in accordance with the terms of the assignment."

SECTION 6. Section 40-81, Hawaii Revised Statutes, is amended to read as follows:

**"§40-81 Report by agencies receiving special moneys.** All state officers, departments, boards, bureaus, commissions, or agencies collecting or receiving any moneys not required by law to be deposited in the state treasury shall report to the comptroller all receipts and disbursements on account thereof for each quarterly period of the calendar year not later than the fifteenth day following the end of each quarterly period on such forms and under such rules as may be prescribed by the comptroller; provided that with respect to all moneys held outside the state treasury by the University of Hawaii until June 30, 2016, or the department of education [~~until June 30, 2011,~~] pursuant to the authority granted to the university and the department of education by this chapter, the University of Hawaii and the department of education shall report to the comptroller all transactions for each quarterly period not later than the fifteenth day following the end of each quarterly period on such forms and under such rules as may be prescribed by the comptroller."

SECTION 7. Act 58, Session Laws of Hawaii 2004, as amended by section 50 of Act 22, Session Laws of Hawaii 2005, as amended by section 1 of Act 306, Session Laws of Hawaii 2006, as amended by section 12 of Act 5, Special Session Laws of Hawaii 2009, as amended by section 5 of Act 102, Session Laws of Hawaii 2010, is amended by amending section 14 to read as follows:

"SECTION 14. This Act shall take effect upon its approval; provided that:

- (1) The amendments made to sections 40-1, 40-4, and 40-6, Hawaii Revised Statutes, by part I of this Act shall not be repealed when those sections are reenacted on June 30, 2006, by section 1 of Act 137, Session Laws of Hawaii 2005;
- (2) Sections 3, 4, 5, 6, and 7 of part I shall be repealed on June 30, 2015, and:
  - (A) Sections 201B-2 and 201B-11, Hawaii Revised Statutes, shall be reenacted in the form in which they read on May 5, 2004; except that the amendments made by Act 5, Special Session Laws of Hawaii 2009, to section 201B-2, Hawaii Revised Statutes, and subsection (c) of section 201B-11, Hawaii Revised Statutes, shall not be repealed; and
  - (B) Sections 40-1, 40-4, and 40-6, Hawaii Revised Statutes, shall be reenacted in the form in which they read on [~~June 30, 1986;~~] May 5, 2004; and
- (3) Section 9 shall take effect on July 1, 2004."

SECTION 8. Act 124, Session Laws of Hawaii 2010, is amended by amending section 15 to read as follows:

"SECTION 15. This Act, upon its approval, shall take effect retroactive to April 30, 2010; provided that:

- (1) Part II shall only take effect upon the repeal and reenactment of sections 40-1, 40-4, and 40-6, Hawaii Revised Statutes, on June 30, 2010, pursuant to Act 58, Session Laws of Hawaii 2004, as amended; and
- (2) Part III shall only take effect upon the repeal of paragraph (2)(B) of section 14 of Act 58, Session Laws of Hawaii 2004, as amended, pursuant to an Act of the 2010 legislature; or in the absence of that repeal, upon the extension of the June 30, 2010, repeal date in paragraph (2) of section 14 of Act 58, Session Laws of Hawaii 2004, as amended, pursuant to an Act of the 2010 legislature~~[-];~~ provided further that the amendments to sections 40-1, 40-4, and 40-6, Hawaii Revised Statutes, by part III shall not be repealed when those sections are repealed and reenacted pursuant to section 5 of Act 102, Session Laws of Hawaii 2010.

SECTION 9. Act 161, Session Laws of Hawaii 2010, is amended by amending section 8 to read as follows:

“SECTION 8. This Act, upon its approval, shall take effect retroactive to April 30, 2010; provided that:

- (1) Part II shall only take effect upon the repeal and reenactment of section 40-1, Hawaii Revised Statutes, on June 30, 2010, pursuant to Act 58, Session Laws of Hawaii 2004, as amended; and
- (2) Part III shall only take effect upon the repeal of paragraph (2)(B) of section 14 of Act 58, Session Laws of Hawaii 2004, as amended, pursuant to an Act of the 2010 legislature; or in the absence of that repeal, upon the extension of the June 30, 2010, repeal date in paragraph (2) of section 14 of Act 58, Session Laws of Hawaii 2004, as amended, pursuant to an Act of the 2010 legislature~~[-];~~ provided that the amendment to section 40-1, Hawaii Revised Statutes, by part III shall not be repealed when that section is repealed and reenacted pursuant to section 5 of Act 102, Session Laws of Hawaii 2010.”

SECTION 10. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 11. This Act shall take effect on June 29, 2015; provided that the amendments made to sections 40-1, 40-4, and 40-6, Hawaii Revised Statutes, by sections 1, 3, and 4 of this Act shall not be repealed when those sections are repealed and reenacted pursuant to section 5 of Act 102, Session Laws of Hawaii 2010.

(Approved May 6, 2015.)

## ACT 45

S.B. NO. 1115

A Bill for an Act Relating to Building Design for Persons with Disabilities.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 103-50, Hawaii Revised Statutes, is amended by amending subsection (h) to read as follows:

“(h) For the purposes of this section:

“Infrastructure” or “infrastructure project” includes water, drainage, sewer, waste disposal and waste treatment systems, roads, and street lighting and projects relating to that infrastructure. Projects with significant work to accessible elements and spaces shall not be considered infrastructure projects.

“Public buildings, facilities, and sites” means buildings, facilities, sites, and the infrastructure thereof that:

- (1) Are designed, constructed, purchased, or leased with the use of any state or county funds or federal funds administered by the State or a county;
- (2) House state or county programs, services, or activities that are intended to be accessed by the general public; ~~or~~
- (3) Are places of public accommodation or commercial facilities under the Americans with Disabilities Act, title 28 Code of Federal Regulations part 36, and are constructed on state or county lands ~~or lands that will be transferred to the State or a county~~; or
- (4) Are constructed on lands that will be transferred to the State or a county upon completion of construction.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 6, 2015.)

ACT 46

S.B. NO. 283

A Bill for an Act Relating to the Hawaii Tourism Authority.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 201B-2, Hawaii Revised Statutes, is amended by amending subsections (b) and (c) to read as follows:

“(b) The authority shall be headed by a policy-making board of directors that shall consist of twelve members; provided that:

- (1) The members shall be appointed by the governor as provided in section 26-34, except as ~~otherwise~~ provided by ~~law~~; this section;
- (2) The members shall include at least one representative each from the city and county of Honolulu and the counties of Hawaii, Kauai, and Maui; ~~the remaining members shall be appointed at large~~;
- (3) Three members shall be appointed by the governor from a list of three names submitted for each appointment by the president of the senate, and three members shall be appointed by the governor from a list of three names submitted for each appointment by the speaker of the house of representatives; provided that if fewer than three names are submitted for each appointment, the governor may disregard the list;
- (4) At least six members shall have knowledge, experience, and expertise in the area of ~~visitor industry management, marketing, promotion,~~ accommodations, transportation, retail, entertainment, or ~~visitor~~ attractions, and at least one member appointed by the governor shall have knowledge, experience, and expertise in the area of Hawaiian cultural practices; provided that no more than three

members shall represent, be employed by, or be under contract to any sector of the industry represented on the board;

- (5) The governor shall make appointments to ensure the fulfillment of all requirements~~;~~ of paragraphs (2) and (4); provided that ~~[any appointments made after July 1, 2002, shall be made to fulfill the requirements in place when the appointments are made; and] upon the occurrence of a vacancy subject to paragraph (3), the governor shall notify the president of the senate and the speaker of the house of representatives of any unfulfilled requirements pursuant to paragraphs (2) and (4), and the president of the senate or the speaker of the house of representatives, as appropriate, shall submit nominees who fulfill those requirements; and~~

- (6) No person who has served as a member of the board of directors of the Hawaii Visitors and Convention Bureau shall be eligible to sit as a member of the board of directors of the Hawaii tourism authority until at least two years have expired between the person's termination from service on the Hawaii Visitors and Convention Bureau board and the person's appointment to the authority's board of directors.

(c) ~~Members shall be appointed by the governor for terms of four years[. Each]; provided that membership on the board shall not exceed eight consecutive years; provided further that each member shall hold office until the member's successor is appointed and qualified. [Section 26-34 shall be applicable insofar as it relates to the number of terms and consecutive number of years a member may serve on the board.]~~"

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval; provided that any appointments made to the board of directors of the Hawaii tourism authority after July 1, 2015, shall be made in accordance with the qualifications under section 201B-2(b), Hawaii Revised Statutes, as amended by this Act.

(Approved May 6, 2015.)

**ACT 47**

S.B. NO. 233

A Bill for an Act Relating to Motor Vehicle Registration.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 286-41(a), Hawaii Revised Statutes, requires that every owner of a motor vehicle which is to be operated upon the public highways shall apply to the director of finance of the county where the vehicle is to be operated, for the registration thereof. Section 286-42, Hawaii Revised Statutes, allows the county director of finance to enter into a contract with new car dealerships and motor vehicle rental companies for the registration of new motor vehicles.

The legislature finds that the registration of used cars or previously owned vehicles is the responsibility of the individual buyer, whereas the registration of new cars is commonly undertaken by the dealership. The legislature further finds that used car dealerships and rental car companies are increasing their sales of used cars in response to growing consumer demand. The legislature further finds

that car dealers and rental car companies should be able to register used cars when the cars are sold to the same extent as new car dealers and motor vehicle rental companies.

The purpose of this Act is to allow the respective county directors of finance to enter into contracts with car dealerships and motor vehicle rental companies to register used cars.

SECTION 2. Section 286-41, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Every owner of a motor vehicle which is to be operated upon the public highways shall, for each vehicle owned, except as herein otherwise provided[,] and except as provided in section 286-42(c), apply to the director of finance of the county where the vehicle is to be operated, for the registration thereof. If a vehicle is moved to another county and is to be operated upon the public highways of that county, the existing certificate of registration shall be valid until its expiration date, at which time the owner shall apply to the director of finance of the county in which the vehicle is then located for the registration of the vehicle, whether or not the owner is domiciled in the county or the owner’s principal place of business is in that county, except that this provision shall not apply to vehicles which are temporarily transferred to another county for a period of not more than three months.”

SECTION 3. Section 286-42, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) The director of finance may enter into a contract with [~~new~~] car dealerships and motor vehicle rental companies for the registration of new and used motor vehicles consistent with any statute, ordinance, or provision of any applicable collective bargaining agreement. The director of finance may adopt rules pursuant to chapter 91 as may be necessary for the application, bonding, and procedural requirements of [~~such~~] the contractor.”

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2015.

(Approved May 6, 2015.)

ACT 48

S.B. NO. 2

A Bill for an Act Relating to Pilotage.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 462A-3, Hawaii Revised Statutes, is amended to read as follows:

“**§462A-3 Powers and duties of the director.** In addition to any other powers and duties authorized by law, the director shall:

- (1) Grant licenses to port pilots and deputy port pilots pursuant to this chapter, when the need arises;
- (2) Adopt, amend, or repeal rules in accordance with chapter 91 as may be necessary to carry out the purposes of this chapter which are to provide for maximum efficiency in navigating vessels entering or

leaving the waters of this State; maintain a pilotage system devoted to the preservation, and protection of lives, property, and vessels entering or leaving waters of the State; and ensure an adequate supply of qualified pilots in aid of commerce and navigation;

- (3) Develop appropriate standards for licensure and renewal of licensure to maintain an adequate supply of pilots based on the needs of users of pilotage services or the department of transportation's harbors division. Licensing requirements shall include examinations and investigations to determine whether persons applying for full port pilot, or deputy port pilot licenses are qualified;
- (4) Enforce this chapter and rules adopted pursuant thereto;
- (5) Suspend, revoke or deny the issuance of any license for any cause prescribed by this chapter, or for any violation of the rules;
- (6) Investigate any person for violations of any provisions of this chapter;
- (7) Adopt methods to improve disciplinary and enforcement programs against violations of this chapter; and
- (8) Do all things reasonable, necessary, and expedient to insure proper and safe pilotage and to facilitate the efficient administration of this chapter."

SECTION 2. Section 462A-6, Hawaii Revised Statutes, is amended to read as follows:

**"§462A-6 Duration and renewal of license.** All licenses shall expire on June 30 of even-numbered years. All applicants for renewal of license shall submit a renewal application pursuant to section 436B-13 and comply with all applicable rules of the department. No applicant shall be denied a renewal of the applicant's license, except as provided in this chapter, as long as the applicant possesses the qualifications established by the department and remains in active service as a pilot in the State."

SECTION 3. Section 462A-18, Hawaii Revised Statutes, is amended to read as follows:

**"§462A-18 Vessels required to take a pilot.** Every vessel [~~involved in trade or commerce~~], other than an exempt vessel, entering or departing from any port in or traversing the waters of the State designated as pilotage waters shall employ a pilot licensed under this chapter; provided that a vessel declared by the director of transportation to be in immediate danger of destruction or which poses an immediate hazard to public safety by its presence in the harbor may be moved without a pilot when a pilot is not immediately available."

SECTION 4. Section 462A-19, Hawaii Revised Statutes, is amended to read as follows:

**"§462A-19 Exempt vessels.** This chapter does not apply to:

- (1) Any vessel required by the laws of the United States of America to be under the direction and control of a federally licensed pilot;
- (2) Public vessels of the United States of America;
- (3) Fishing vessels that have been issued a fishery license or appropriately endorsed registry under the laws of the United States of America; [øf]

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(4) Tugs or towboats of 1,600 gross tons or less which are registered in the United States if the master, mate, or operator is licensed in the United States and has made a minimum of six round trips into and out of the pilotage water which the vessel is traversing[-]; or

(5) Vessels under 300 gross tons.

This section provides minimum pilotage requirements, and is not intended to negate the department of transportation's responsibility for the safety of all ports and shore waters in the State, nor does it limit the department's right to require additional pilotage should that department determine it is necessary to ensure safety in the ports or shore waters of the State."

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect upon its approval.

(Approved May 6, 2015.)

**ACT 49**

H.B. NO. 896

A Bill for an Act Making Appropriations for Claims Against the State, Its Officers, or Its Employees.

*Be It Enacted by the Legislature of the State of Hawaii:*

**PART I**

SECTION 1. The following sums or so much thereof as may be necessary for fiscal year 2014-2015 are appropriated out of the general revenues of the State of Hawaii to the department of the attorney general for the purpose of satisfying claims for legislative relief as to the following named persons, firms, corporations, and entities, for claims against the State or its officers or employees for the overpayment of taxes, or for refunds, reimbursements, payments of judgments or settlements, or other liabilities, in the amounts set forth opposite their names:

**JUDGMENTS AGAINST THE STATE  
AND SETTLEMENTS OF CLAIMS:**

	<b>AMOUNT</b>
<b>1. DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES:</b>	
American Civil Liberties Union of Hawaii and Pamela G. Lichty v. Dean H. Seki, Civil No. 14-00150 JMS-RLP, USDC	\$ 12,401.00 Settlement
Hookano v. State of Hawaii Civil No. 14-1-0875-04, First Circuit	\$ 180,000.00 Settlement
<b>SUBTOTAL:</b>	<u>\$ 192,401.00</u>
<b>2. DEPARTMENT OF THE ATTORNEY GENERAL:</b>	
Fotoudis v. City and County of Honolulu, et al., Civil No. 14-00333, USDC	\$ 7,250.00 Settlement
<b>SUBTOTAL:</b>	<u>\$ 7,250.00</u>

3. DEPARTMENT OF EDUCATION:	
Kahiapo, et al. v. State of Hawaii, et al. Civil No. 11-1-2685-11, First Circuit	\$ 30,000.00 Settlement
Lee-Vith, et al. v. Department of Education, et al., Civil No. 12-1-2443-09, First Circuit	\$ 13,500.00 Settlement
Fukuda v. Department of Education, et al. Civil No. 12-1-200507, First Circuit	\$ 80,000.00 Settlement
Nishi v. Board of Education, et al. Civil No. 14-1-1295-06, First Circuit	\$ 325,000.00 Settlement
Hawaii Government Employees Association, et al. v. Abercrombie, et al., Case No. CE-03-824, HLRB	\$ 382,000.00 Settlement
SUBTOTAL:	<hr/> \$ 830,500.00
4. HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND:	
In the Matter of Dr. Morton Cotlar Case No. 2014-001	\$ 30,589.00 Settlement
SUBTOTAL:	<hr/> \$ 30,589.00
5. HAWAII STATE PUBLIC CHARTER SCHOOL:	
Dollnig v. Hawaii State Department of Education, et al. Civil No. 14-1-0025, Third Circuit	\$ 48,000.00 Settlement
SUBTOTAL:	<hr/> \$ 48,000.00
6. DEPARTMENT OF HEALTH:	
Daligcon, et al. v. State of Hawaii, et al. Civil No. 12-1-1269-05, First Circuit	\$ 96,701.54 Settlement
Rodriguez v. Onaka, et al. Civil No. 13-1-2207-08, First Circuit	\$ 5,728.85 Judgment
SUBTOTAL:	<hr/> \$ 102,430.39
7. DEPARTMENT OF HUMAN SERVICES:	
Alexander, et al. v. State of Hawaii, et al. Civil No. 11-1-0795-04, First Circuit	\$ 350,000.00 Settlement
Costales v. Rosete, et al. Civil No. 07-1-2360-12, First Circuit	\$ 462,594.00 Settlement
Polm, et al. v. Department of Human Services, et al., Civil No. 11-1-0548-03, First Circuit	\$ 135,469.79 Judgment
SUBTOTAL:	<hr/> \$ 948,063.79
8. DEPARTMENT OF LAND AND NATURAL RESOURCES:	
Tort Claim of Lisa M. Shamis	\$ 45,000.00 Settlement
SUBTOTAL:	<hr/> \$ 45,000.00



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### 9. DEPARTMENT OF PUBLIC SAFETY:

Slingluff v. State of Hawaii, et al. Civil No. 06-1-1654-09, First Circuit	\$ 1,036,395.94 Judgment
Waiolama, et al. v. State of Hawaii, et al. Civil No. 09-1-0679-03, First Circuit	\$ 69,094.33 Judgment
Lessary v. State of Hawaii, et al. Civil No. 12-1-1897-07, First Circuit	\$ 50,000.00 Settlement
Rosen Bien Galvan & Grunfeld, LLP, v. Department of Public Safety, et al., Civil No. 13-1-1078-04, First Circuit	\$ 25,598.78 Settlement
Webster, et al. v. State of Hawaii, et al. Civil No. 13-1-0145-01, First Circuit	\$ 50,000.00 Settlement
SUBTOTAL:	<u>\$ 1,231,089.05</u>

### 10. OFFICE OF THE GOVERNOR:

Oahu Publications, Inc., dba The Honolulu Advertiser v. Abercrombie, SCWC-13-0000127, CAAP-13-0000127, Civil No. 11-1-1871-08, First Circuit	\$ 45,000.00 Settlement
SUBTOTAL:	<u>\$ 45,000.00</u>

### 11. MISCELLANEOUS CLAIMS:

Raedrina A. Kealoha	\$ 51.12
Korean Airlines Co., Ltd.	\$ 2,177.50
Thomas K. Nagano	\$ 199.80
Mark Tamashiro	\$ 4,347.36
GE Capital Info Technology SOL	\$ 3,248.47
GTE Communication Systems Corp.	\$ 3,421.56
Kellogg Sales Company	\$ 2,660.59
Lehman Brothers, Inc.	\$ 14,906.96
SUBTOTAL:	<u>\$ 31,013.36</u>
TOTAL (SECTION 1):	\$ 3,511,336.59

The sums appropriated shall be expended by the department of the attorney general for the purposes of this Act.

## PART II

SECTION 2. The following sums or so much thereof as may be necessary for fiscal year 2014-2015 are appropriated out of the state highway fund for the purpose of satisfying claims for legislative relief as to the following named persons, for claims against the State or its officers or employees for payments of judgments or settlements, or other liabilities, in the amount set forth opposite their names:

<b>JUDGMENTS AGAINST THE STATE AND SETTLEMENTS OF CLAIMS:</b>	<b>AMOUNT</b>
<b>DEPARTMENT OF TRANSPORTATION, HIGHWAYS DIVISION:</b>	
Eager v. State of Hawaii, et al. Civil No. 12-1-1408-05, First Circuit	\$ 2,804.56
Higa v. State of Hawaii, et al. Civil No. 14-1-0751 ECN, First Circuit	\$ 72,000.00 Settlement
Hawaiian Telcom, Inc. v. Department of Transportation, et al., Civil No. 14-1-0427-02, First Circuit	\$ 20,000.00 Settlement
Miles, et al. v. State of Hawaii, et al. Civil No. 10-1-0977-05, First Circuit	\$ 900,000.00 Settlement
<b>SUBTOTAL:</b>	<b>\$ 994,804.56</b>
<b>TOTAL (SECTION 2)</b>	<b>\$ 994,804.56</b>

The sums appropriated shall be expended by the department of transportation, highways division, for the purposes of this Act.

**PART III**

SECTION 3. The following sums or so much thereof as may be necessary for fiscal year 2014-2015 are appropriated out of the harbor special fund for the purpose of satisfying claims for legislative relief as to the following named persons, for claims against the State or its officers or employees for payments of judgments or settlements, or other liabilities, in the amount set forth opposite their names:

<b>JUDGMENTS AGAINST THE STATE AND SETTLEMENTS OF CLAIMS:</b>	<b>AMOUNT</b>
<b>DEPARTMENT OF TRANSPORTATION, HARBORS DIVISION:</b>	
Barnard v. State of Hawaii, et al. Civil No. 12-1-2924-11, First Circuit	\$ 93,734.77 Settlement
<b>SUBTOTAL:</b>	<b>\$ 93,734.77</b>
<b>TOTAL (SECTION 3)</b>	<b>\$ 93,734.77</b>

The sums appropriated shall be expended by the department of transportation, harbors division, for the purposes of this Act.

**PART IV**

SECTION 4. The sums hereinabove may be paid to the respective persons, or for the satisfaction or settlement of the respectively identified cases, and in several amounts hereinabove set forth or in lesser amounts deemed appropriate, upon checks issued by the comptroller; provided departments shall obtain the approval of the attorney general before payment of any claim can be made.

SECTION 5. Notwithstanding the sums hereinabove stated as interest upon judgments against the State, payment of interest shall be limited to the period from the date of judgment, if applicable, to thirty days after the effective date of this Act, as provided in section 662-8, Hawaii Revised Statutes, for those cases to which the statute applies.

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SECTION 6. All unexpended and unencumbered balances of the appropriations made in this Act as of the close of business on June 30, 2016, shall lapse.

SECTION 7. If any provision of this Act, or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Act, which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 8. This Act shall take effect upon its approval.  
(Approved May 15, 2015.)

**ACT 50**

S.B. NO. 1072

A Bill for an Act Making an Emergency Appropriation for the Department of the Attorney General.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is recommended by the governor for immediate passage in accordance with section 9 of article VII of the Constitution of the State of Hawaii.

SECTION 2. The State of Hawaii is involved in several major lawsuits that could result in costly judgments against the State if not vigorously defended. These major lawsuits will require the State to retain expert witnesses and expert counsel.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,000,000, or so much thereof as may be necessary, for fiscal year 2014-2015 to be used by the department of the attorney general in major litigation involving the State.

The sum appropriated shall be expended by the department of the attorney general for the purposes of this Act.

SECTION 4. This Act shall take effect upon its approval.  
(Approved May 15, 2015.)

**ACT 51**

S.B. NO. 1117

A Bill for an Act Making an Emergency Appropriation to the Hawaii Health Systems Corporation.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is recommended by the governor for immediate passage in accordance with section 9 of article VII of the Constitution of the State of Hawaii.

SECTION 2. The purpose of this Act is to make an emergency appropriation to provide funds for the functions of the Hawaii health systems corporation and its regions. Without an emergency appropriation, Hawaii health systems corporation health care operations will be severely impacted, and the impact will place the health care of the residents and visitors of the State in jeopardy. This funding is necessary because the Hawaii health systems corporation was not fully funded for negotiated and arbitrated pay raises for fiscal years 2014-2015 and 2015-2016.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$15,000,000 or so much thereof as may be necessary for fiscal year 2014-2015 for the purpose of supporting the functions of the Hawaii health systems corporation.

The sum appropriated shall be expended by the Hawaii health systems corporation for the purposes of this Act.

SECTION 4. This Act shall take effect upon its approval.

(Approved May 15, 2015.)

## ACT 52

S.B. NO. 1133

A Bill for an Act Relating to Conformity of the Hawaii Income Tax Law to the Internal Revenue Code.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to conform Hawaii income tax law to the Internal Revenue Code.

SECTION 2. Section 235-2.3, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) For all taxable years beginning after December 31, ~~2013,~~ 2014, as used in this chapter, except as provided in section 235-2.35, “Internal Revenue Code” means subtitle A, chapter 1, of the federal Internal Revenue Code of 1986, as amended as of December 31, ~~2013,~~ 2014, as it applies to the determination of gross income, adjusted gross income, ordinary income and loss, and taxable income, except those provisions of the Internal Revenue Code and federal public laws which, pursuant to this chapter, do not apply or are otherwise limited in application and except for the provisions of Public Law 109-001, which apply to section 170 of the Internal Revenue Code. The provisions of Public Law 109-001 to accelerate the deduction for charitable cash contributions for the relief of victims of the 2004 Indian Ocean tsunami are applicable for the calendar year that ended December 31, 2004, and the calendar year ending December 31, 2005.

Sections 235-2, 235-2.1, and 235-2.2 shall continue to be used to determine:

- (1) The basis of property, if a taxpayer first determined the basis of property in a taxable year to which these sections apply, and if the determination was made before January 1, 1978; and
- (2) Gross income, adjusted gross income, ordinary income and loss, and taxable income for a taxable year to which these sections apply where the taxable year begins before January 1, 1978.”

SECTION 3. Section 235-2.4, Hawaii Revised Statutes, is amended to read as follows:

**“§235-2.4 Operation of certain Internal Revenue Code provisions; sections 63 to 530.** (a) Section 63 (with respect to taxable income defined) of the Internal Revenue Code shall be operative for the purposes of this chapter, subject to the following:

- (1) Section 63(c)(1)(B) (relating to the additional standard deduction), 63(c)(1)(C) (relating to the real property tax deduction), 63(c)(1)(D) (relating to the disaster loss deduction), 63(c)(1)(E) (relating to the motor vehicle sales tax deduction), 63(c)(4) (relating to inflation adjustments), 63(c)(7) (defining the real property tax deduction), 63(c)(8) (defining the disaster loss deduction), 63(c)(9) (defining the motor vehicle sales tax deduction), and 63(f) (relating to additional amounts for the aged or blind) of the Internal Revenue Code shall not be operative for purposes of this chapter;
- (2) Section 63(c)(2) (relating to the basic standard deduction) of the Internal Revenue Code shall be operative, except that the standard deduction amounts provided therein shall instead mean:
  - (A) \$4,400 in the case of:
    - (i) A joint return as provided by section 235-93; or
    - (ii) A surviving spouse (as defined in section 2(a) of the Internal Revenue Code);
  - (B) \$3,212 in the case of a head of household (as defined in section 2(b) of the Internal Revenue Code);
  - (C) \$2,200 in the case of an individual who is not married and who is not a surviving spouse or head of household; or
  - (D) \$2,200 in the case of a married individual filing a separate return;
- (3) Section 63(c)(5) (limiting the basic standard deduction in the case of certain dependents) of the Internal Revenue Code shall be operative, except that the limitation shall be the greater of \$500 or the individual's earned income; and
- (4) The standard deduction amount for nonresidents shall be calculated pursuant to section 235-5.
  - (b) Section 68 (with respect to the overall limitation on itemized deductions) of the Internal Revenue Code shall be operative; provided that the thresholds shall be those that were operative for federal tax year 2009.
  - (c) Section 72 (with respect to annuities; certain proceeds of endowment and life insurance contracts) of the Internal Revenue Code shall be operative for purposes of this chapter and be interpreted with due regard to section 235-7(a), except that the ten per cent additional tax on early distributions from retirement plans in section 72(t) shall not be operative for purposes of this chapter.
  - (d) Section 85 (with respect to unemployment compensation) of the Internal Revenue Code shall be operative for purposes of this chapter, except that section 85(c) shall not be operative for purposes of this chapter.
  - (e) Section 108 (with respect to income from discharge of indebtedness) of the Internal Revenue Code shall be operative for purposes of this chapter, except that section 108(i) (relating to deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument) shall not be operative for purposes of this chapter.
  - (f) Section 121 (with respect to exclusion of gain from sale of principal residence) of the Internal Revenue Code shall be operative for purposes of this chapter, except that for the election under section 121(f), a reference to section

1034 treatment means a reference to section 235-2.4(s) in effect for taxable year 1997.

(g) Section 132 (with respect to certain fringe benefits) of the Internal Revenue Code shall be operative for purposes of this chapter, except that the provision in section 132(f)(2) that equalizes the dollar amounts for sections 132(f)(2)(A) and (B) shall not be operative and except that section 132(n) shall not apply to United States Department of Defense Homeowners Assistance Program payments authorized by the American Recovery and Reinvestment Act of 2009.

(h) Section 163 (with respect to interest) of the Internal Revenue Code shall be operative for the purposes of this chapter, except that provisions in section 163(d)(4)(B) (defining net investment income to exclude dividends), section 163(e)(5)(F) (suspension of applicable high-yield discount obligation (AHYDO) rules) and section 163(i)(1) as it applies to debt instruments issued after January 1, 2010, (defining AHYDO) shall not be operative for the purposes of this chapter.

(i) Section 164 (with respect to taxes) of the Internal Revenue Code shall be operative for the purposes of this chapter, except that:

- (1) Section 164(a)(6) and (b)(6) shall not be operative for the purposes of this chapter;
- (2) The deductions under section 164(a)(3) and (b)(5) shall not be operative for corporate taxpayers and shall be operative only for the following individual taxpayers:
  - (A) A taxpayer filing a single return or a married person filing separately with a federal adjusted gross income of less than \$100,000;
  - (B) A taxpayer filing as a head of household with a federal adjusted gross income of less than \$150,000; and
  - (C) A taxpayer filing a joint return or as a surviving spouse with a federal adjusted gross income of less than \$200,000; and
- (3) Section 164(a)(3) shall not be operative for any amounts for which the credit under section 235-55 has been claimed.

(j) Section 165 (with respect to losses) of the Internal Revenue Code shall be operative for purposes of this chapter, except that the amount prescribed by sections 165(h)(1) (relating to the limitation per casualty) of the Internal Revenue Code shall be a \$100 limitation per casualty, and section 165(h)(3)(A) and (B) (both of which relate to special rules for personal casualty gains and losses in federally declared disasters) of the Internal Revenue Code shall not be operative for the purposes of this chapter. Section 165 as operative for this chapter shall also apply to losses sustained from the sale of stocks or other interests issued through the exercise of the stock options or warrants granted by a qualified high technology business as defined in section 235-7.3.

(k) Section 168 (with respect to the accelerated cost recovery system) of the Internal Revenue Code shall be operative for purposes of this chapter, except that sections 168(j) (relating to property on Indian reservations), 168(k) (relating to the special allowance for certain property acquired during the period specified therein), 168(m) (relating to the special allowance for certain reuse and recycling property), and 168(n) (relating to the special allowance for qualified disaster assistance property) of the Internal Revenue Code shall not be operative for purposes of this chapter.

(l) Section 172 (with respect to net operating loss deductions) of the Internal Revenue Code shall be operative for purposes of this chapter, as further provided in section 235-7(d), except that section 172(b)(1)(J) and (j) (both of which relate to qualified disaster losses) of the Internal Revenue Code shall not be operative for purposes of this chapter.

(m) Section 179 (with respect to the election to expense certain depreciable business assets) of the Internal Revenue Code shall be operative for purposes of this chapter, except as provided in this subsection:

- (1) The aggregate cost provided in section 179(b)(1) which may be taken into account under section 179(a) for any taxable year shall not exceed \$25,000;
- (2) The amount at which the reduction in limitation provided in section 179(b)(2) begins shall exceed \$200,000 for any taxable year; and
- (3) The following shall not be operative for purposes of this chapter:
  - (A) Defining section 179 property to include computer software in section 179(d)(1);
  - (B) Inflation adjustments in section 179(b)(5);
  - (C) Irrevocable election in section 179(c)(2); and
  - (D) Special rules for qualified disaster assistance property in section 179(e).

(n) Section 198A (with respect to the expensing of qualified disaster assistances expenses) of the Internal Revenue Code shall not be operative for purposes of this chapter.

(o) Section 219 (with respect to retirement savings) of the Internal Revenue Code shall be operative for the purpose of this chapter. For the purpose of computing the limitation on the deduction for active participants in certain pension plans for state income tax purposes, adjusted gross income as used in section 219 as operative for this chapter means federal adjusted gross income.

(p) Section 220 (with respect to medical savings accounts) of the Internal Revenue Code shall be operative for the purpose of this chapter, but only with respect to medical services accounts that have been approved by the Secretary of the Treasury of the United States.

(q) Section 265 (with respect to expenses and interest relating to tax-exempt income) of the Internal Revenue Code shall be operative for purposes of this chapter; except that section 265(b)(3)(G) and (7) shall not be operative and section 265 shall not apply to expenses for royalties and other income derived from any patents, copyrights, and trade secrets by an individual or a qualified high technology business as defined in section 235-7.3. Such expenses shall be deductible.

(r) Section 382 (with respect to limitation on net operating loss carry-forwards and certain built-in losses following ownership change) of the Internal Revenue Code shall be operative for the purposes of this chapter, except that section 382(n) shall not be operative for purposes of this chapter.

(s) Section 408A (with respect to Roth Individual Retirement Accounts) of the Internal Revenue Code shall be operative for the purposes of this chapter, except that section 408A(d)(3)(A)(iii) shall not be operative for purposes of this chapter. For the purposes of determining the aggregate amount of contributions to a Roth Individual Retirement Account or qualified rollover contribution to a Roth Individual Retirement Account from an individual retirement plan other than a Roth Individual Retirement Account, adjusted gross income as used in section 408A as operative for this chapter means federal adjusted gross income.

(t) In administering the provisions of sections 410 to 417 (with respect to special rules relating to pensions, profit sharing, stock bonus plans, etc.), sections 418 to 418E (with respect to special rules for multiemployer plans), and sections 419 and 419A (with respect to treatment of welfare benefit funds) of the Internal Revenue Code, the department of taxation shall adopt rules under chapter 91 relating to the specific requirements under those sections and to other administrative requirements under those sections as may be necessary for the efficient administration of sections 410 to 419A.

In administering sections 401 to 419A (with respect to deferred compensation) of the Internal Revenue Code, Public Law 93-406, section 1017(i), shall be operative for the purposes of this chapter.

In administering section 402 (with respect to the taxability of beneficiary of employees' trust) of the Internal Revenue Code, the tax imposed on lump sum distributions by section 402(e) of the Internal Revenue Code shall be operative for the purposes of this chapter and the tax imposed therein is hereby imposed by this chapter at the rate determined under this chapter.

(u) In administering section 403 (with respect to taxation of employee annuities) of the Internal Revenue Code, any funds that represent pre-tax employee deferrals or contributions that are distributed from the annuity and used solely to obtain retirement credits under the state employees' retirement system shall not be treated as a rollover for purposes of section 403(b)(8)(A) of the Internal Revenue Code, and those funds shall be subject to income tax under this chapter.

(v) Section 451 (which provides general rules for taxable year of inclusion) of the Internal Revenue Code shall be operative, except that the provisions of sections 451(i)(3) and 451(i)(6), as they relate to a qualified electric utility, shall not be operative for purposes of this chapter.

(w) In administering section 457 (with respect to compensation plans of state and local governments and tax-exempt organizations) of the Internal Revenue Code, any funds that represent pre-tax employee deferrals or contributions that are distributed from the deferred compensation plan and used solely to obtain retirement credits under the state employees' retirement system shall not be treated as a rollover for purposes of section 457(e)(16)(A) of the Internal Revenue Code and those funds shall be subject to income tax under this chapter.

(x) Section 468B (with respect to special rules for designated settlement funds) of the Internal Revenue Code shall be operative for the purposes of this chapter and the tax imposed therein is hereby imposed by this chapter at a rate equal to the maximum rate in effect for the taxable year imposed on estates and trusts under section 235-51.

(y) Section 469 (with respect to passive activities and credits limited) of the Internal Revenue Code shall be operative for the purposes of this chapter. For the purpose of computing the offset for rental real estate activities for state income tax purposes, adjusted gross income as used in section 469 as operative for this chapter means federal adjusted gross income.

(z) Sections 512 to 514 (with respect to taxation of business income of certain exempt organizations) of the Internal Revenue Code shall be operative for the purposes of this chapter as provided in this subsection.

"Unrelated business taxable income" means the same as in the Internal Revenue Code, except that in the computation thereof sections 235-3 to 235-5, and 235-7 (except subsection (c)), shall apply, and in the determination of the net operating loss deduction there shall not be taken into account any amount of income or deduction that is excluded in computing the unrelated business taxable income. Unrelated business taxable income shall not include any income from a legal service plan.

For a person described in section 401 or 501 of the Internal Revenue Code, as modified by section 235-2.3, the tax imposed by section 235-51 or 235-71 shall be imposed upon the person's unrelated business taxable income.

(aa) Section 521 (with respect to cooperatives) and subchapter T (sections 1381 to 1388, with respect to cooperatives and their patrons) of the Internal Revenue Code shall be operative for the purposes of this chapter as to any cooperative fully meeting the requirements of section 421-23, except that Internal Revenue Code section 521 cooperatives need not be organized in Hawaii.



**ACT 53**

(bb) Sections 527 (with respect to political organizations) and 528 (with respect to certain homeowners associations) of the Internal Revenue Code shall be operative for the purposes of this chapter and the taxes imposed in each section are hereby imposed by this chapter at the rates determined under section 235-71.

(cc) Section 529 (with respect to qualified tuition programs) shall be operative for the purposes of this chapter, except that sections 529(c)(6) and 529(e)(3)(A)(iii) shall not be operative.

(dd) Section 529A (with respect to qualified ABLE programs) shall be operative for the purposes of this chapter, except that section 529A(c)(3) (with respect to additional tax for distributions not used for disability expenses) shall not be operative.

~~(dd)~~ (ee) Section 530 (with respect to Coverdell education savings accounts) of the Internal Revenue Code shall be operative for the purposes of this chapter. For the purpose of determining the maximum amount that a contributor could make to an education individual retirement account for state income tax purposes, modified adjusted gross income as used in section 530 as operative for this chapter means federal modified adjusted gross income as defined in section 530.”

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act, upon its approval, shall apply to taxable years beginning after December 31, 2014.

(Approved May 20, 2015.)

**ACT 53**

S.B. NO. 1136

A Bill for an Act Relating to Section 235-55.91, Hawaii Revised Statutes.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 235-55.91, Hawaii Revised Statutes, is amended by amending subsection (e) to read as follows:

“(e) The following wages paid to vocational rehabilitation referrals are ineligible to be claimed by the employer for this credit:

- (1) No wages shall be taken into account under this section with respect to a vocational rehabilitation referral who:
  - (A) Bears any of the relationships described in section [~~152(a)(1) to (8)~~] 152(d)(2)(A) to (G) of the Internal Revenue Code to the taxpayer, or, if the taxpayer is a corporation, to an individual who owns, directly or indirectly, more than fifty per cent in value of the outstanding stock of the corporation (determined with the application of section 267(c) of the Internal Revenue Code);
  - (B) If the taxpayer is an estate or trust, is a grantor, beneficiary, or fiduciary of the estate or trust, or is an individual who bears any of the relationships described in section [~~152(a)(1) to (8)~~] 152(d)(2)(A) to (G) of the Internal Revenue Code to a grantor, beneficiary, or fiduciary of the estate or trust; or
  - (C) Is a dependent (described in section [~~152(a)(9)~~] 152(d)(2)(H) of the Internal Revenue Code) of the taxpayer, or, if the taxpayer

- is a corporation, of an individual described in subparagraph (A), or, if the taxpayer is an estate or trust, of a grantor, beneficiary, or fiduciary of the estate or trust.
- (2) No wages shall be taken into account under this section with respect to any vocational rehabilitation referral if, prior to the hiring date of the individual, the individual had been employed by the employer at any time during which the individual was not a vocational rehabilitation referral.
  - (3) No wages shall be taken into account under this section with respect to any vocational rehabilitation referral unless such individual either:
    - (A) Is employed by the employer at least ninety days; or
    - (B) Has completed at least one hundred-twenty hours of services performed for the employer.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.  
(Approved May 20, 2015.)

**ACT 54**

S.B. NO. 1077

A Bill for an Act Making Appropriations for Collective Bargaining Cost Items.  
*Be It Enacted by the Legislature of the State of Hawaii:*

**PART I**

SECTION 1. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017 all collective bargaining cost items for salary increases and other wage related costs in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (2):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 1,024,872	\$ 1,758,967
Special Funds	402,684	639,910
Federal Funds	16,980	27,883
Revolving Funds	29,041	44,654

Of the above amounts, the following amounts are for the department of education:

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 558,543	\$ 963,828
Special Funds	921	1,595
Federal Funds	123	202

SECTION 2. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART II**

SECTION 3. There are appropriated or authorized from the sources of funding indicated below to Hawaii health systems corporation – corporate office (HTH 210) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the collective bargaining cost items in the agreement negotiated with state employees in collective bargaining unit (2) assigned to the Hawaii health systems corporation:

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
Special Funds	\$ 118,595	\$ 186,425

SECTION 4. Funds appropriated or authorized by this part shall be allotted by the director of finance to the Hawaii health systems corporation for expenditure in the respective fiscal year for the purposes of this part.

**PART III**

SECTION 5. There are appropriated or authorized from the sources of funding indicated below to health premium payments (BUF 761) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the Hawaii employer union health benefits trust fund costs in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (2):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 156,745	\$ 288,812

Of the above amounts, the following amounts are for the department of education:

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 87,054	\$ 160,506

SECTION 6. Funds appropriated or authorized by this part shall be allotted by the director of finance to the Hawaii health systems corporation for expenditure in the respective fiscal year for the purposes of this part.

**PART IV**

SECTION 7. Salary increases and cost adjustments provided in this Act for any officer or employee whose compensation is paid, in whole or in part, from federal, special, or other funds shall be paid wholly or proportionately, as the case may be, from the respective funds.

SECTION 8. Funds appropriated or authorized by this Act that are not expended or encumbered by June 30, 2016, and June 30, 2017, of the respective fiscal years, shall lapse as of those dates.

SECTION 9. This Act, upon its approval, shall take effect on July 1, 2015.

(Approved May 28, 2015.)

ACT 55

S.B. NO. 1078

A Bill for an Act Making Appropriations for Collective Bargaining Cost Items.  
*Be It Enacted by the Legislature of the State of Hawaii:*

**PART I**

SECTION 1. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017 all collective bargaining cost items for salary increases and other wage related costs in the agreement negotiated with the exclusive bargaining representative of collective bargaining units (3) and (4):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 17,302,969	\$ 34,049,363
Special Funds	2,022,432	3,857,255
G.O. Bonds Funds	166,964	312,989
Federal Funds	1,827,326	3,558,238
Other Federal Funds	252,236	498,602
Trust Funds	112,028	159,660
Interdepartmental Transfers	73,293	142,567
Revolving Funds	242,398	451,117
Other funds	67,032	129,100
Special Fund CIP	366,591	668,155

Of the above amounts, the following amounts are for the department of education:

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 7,492,067	\$ 14,730,897
Special Funds	32,758	67,467
G.O. Bond Funds	47,402	91,939
Federal Funds	226,106	431,500
Other Federal Funds	49	100
Trust Funds	19,953	32,664
Interdepartmental Transfers	1,688	3,570
Revolving Funds	23,004	43,425

SECTION 2. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART II**

SECTION 3. There are appropriated or authorized from the sources of funding indicated below to administration (JUD 601) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017 all collective bargaining cost items for salary increases and other wage related costs in the agreement negotiated with the exclusive bargaining representative of collective bargaining units (3) and (4):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 2,026,916	\$ 3,823,181
Special Funds	83,071	157,224

SECTION 4. Funds appropriated or authorized by this part shall be expended by the chief justice in the respective fiscal year for the purposes of this part.

**PART III**

SECTION 5. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within collective bargaining units (3) and (4):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 1,624,846	\$ 2,963,778
Special Funds	215,455	387,875
G.O. Bond Funds	2,300	4,244
Federal Funds	987,568	1,913,593
Other Federal Funds	3,143	7,017
Trust Funds	10,178	12,420
Interdepartmental Transfers	2,458	4,084
Revolving Funds	22,175	35,368
Other Funds	9,295	15,370
Special Funds CIP	19,753	37,367

Of the above amounts, the following amounts are for the department of education:

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 335,769	\$ 637,691
Special Funds	6,533	12,626
Federal Funds	919,022	1,795,087
Other Federal Funds	40	79
Trust Funds	319	419
Revolving Funds	6,914	9,630

SECTION 6. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART IV**

SECTION 7. There are appropriated or authorized from the sources of funding indicated below to administration (JUD 601) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees of the judiciary who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within collective bargaining units (3) and (4):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 124,111	\$ 220,021

SECTION 8. The sums appropriated or authorized by this part shall be expended by the chief justice in the respective fiscal year for the purposes of this part.

**PART V**

SECTION 9. There are appropriated from the source of funding indicated below to Hawaii health systems corporation – corporate office (HTH 210) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the collective bargaining cost items in the agreement negotiated for state employees in collective bargaining units (3) and (4) assigned to the Hawaii health systems corporation:

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 1,789,022	\$ 3,481,207

SECTION 10. Funds appropriated by this part shall be allotted by the director of finance to the Hawaii health systems corporation for expenditure in the respective fiscal year for the purposes of this part.

**PART VI**

SECTION 11. There are appropriated from the source of funding indicated below to Hawaii health systems corporation – corporate office (HTH 210) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees excluded from collective bargaining assigned to the Hawaii health systems corporation who belong to the same compensation plans as those officers and employees within collective bargaining units (3) and (4):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 135,360	\$ 213,457

SECTION 12. Funds appropriated by this part shall be allotted by the director of finance to the Hawaii health systems corporation for expenditure in the respective fiscal year for the purposes of this part.

**PART VII**

SECTION 13. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the Hawaii employer union health benefits trust fund costs in the agreement negotiated with the exclusive bargaining representative of collective bargaining units (3) and (4):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 2,548,075	\$ 4,733,331

Of the above amounts, the following amounts are for the department of education:

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 1,079,366	\$ 2,008,972

SECTION 14. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART VIII**

SECTION 15. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the Hawaii employer union health benefits trust fund costs authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees excluded from collective bargaining who belong to the same compensation plans as those officers and employees within collective bargaining units (3) and (4):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 160,797	\$ 299,497

Of the above amounts, the following amounts are for the department of education:

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 24,842	\$ 46,672

SECTION 16. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART IX**

SECTION 17. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, all collective bargaining cost items for salary increases and other wage related costs in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (14):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 1,250,717	\$ 2,241,059
Special Funds	96,935	184,471
Interdepartmental Transfers	198,321	356,026

SECTION 18. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART X**

SECTION 19. There are appropriated from the source of funding indicated below to collective bargaining statewide (BUF 102) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees excluded from collective bargaining who belong to the same compensation plans as those officers and employees within collective bargaining unit (14):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 35,975	\$ 57,892

SECTION 20. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART XI**

SECTION 21. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the Hawaii employer union health benefits trust fund costs in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (14):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 135,714	\$ 250,957

SECTION 22. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART XII**

SECTION 23. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the Hawaii employer union health benefits trust fund costs authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees excluded from collective bargaining who belong to the same compensation plan as those officers and employees in collective bargaining unit (14):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 4,019	\$ 7,416

SECTION 24. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART XIII**

SECTION 25. Salary increases and cost adjustments provided in this Act for any officer or employee whose compensation is paid, in whole or in part, from federal, special, or other funds shall be paid wholly or proportionately, as the case may be, from the respective funds.

SECTION 26. Funds appropriated or authorized by this Act that are not expended or encumbered by June 30, 2016, and June 30, 2017, of the respective fiscal years, shall lapse as of those dates.

SECTION 27. This Act, upon its approval, shall take effect on July 1, 2015.

(Approved May 28, 2015.)



A Bill for an Act Making Appropriations for Collective Bargaining Cost Items.  
*Be It Enacted by the Legislature of the State of Hawaii:*

**PART I**

SECTION 1. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017 all collective bargaining cost items for salary increases and other wage related costs in the supplemental agreement negotiated with the exclusive bargaining representative of collective bargaining unit (5):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 39,957,331	\$ 13,439,659
Federal Funds	1,017,457	342,046
Trust Funds	32,006	9,574
Interdepartmental Transfers	7,120	2,513

SECTION 2. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART II**

SECTION 3. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within collective bargaining unit (5):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 1,246,377	\$ 466,043
Federal Funds	175,867	66,064
Trust Funds	3,764	1,263
Interdepartmental Transfers	668	265

SECTION 4. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART III**

SECTION 5. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the Hawaii employer union health benefits trust fund costs in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (5):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 1,098,699	\$ 573,130

SECTION 6. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART IV**

SECTION 7. Salary increases and cost adjustments provided in this Act for any officer or employee whose compensation is paid, in whole or in part, from federal, special, or other funds shall be paid wholly or proportionately, as the case may be, from the respective funds.

SECTION 8. Funds appropriated or authorized by this Act that are not expended or encumbered by June 30, 2016, and June 30, 2017, of the respective fiscal years, shall lapse as of those dates.

SECTION 9. This Act, upon its approval, shall take effect on July 1, 2015.

(Approved May 28, 2015.)

**ACT 57**

S.B. NO. 1081

A Bill for an Act Making Appropriations for Collective Bargaining Cost Items.

*Be It Enacted by the Legislature of the State of Hawaii:*

**PART I**

SECTION 1. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the Hawaii employer union health benefits trust fund costs in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (10):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 442,917	\$ 1,232,019

Of the above amounts, the following amounts are for the department of education:

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 3,472	\$ 9,383

SECTION 2. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART II**

SECTION 3. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the Hawaii employer union health benefits trust fund costs authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded

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from collective bargaining and belong to the same compensation plans as those officers and employees within collective bargaining unit (10):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 3,251	\$ 9,538

SECTION 4. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART III**

SECTION 5. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the Hawaii employer union health benefits trust fund costs in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (1):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 1,695,866	\$ 865,228

Of the above amounts, the following amounts are for the department of education:

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 663,010	\$ 337,391

SECTION 6. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART IV**

SECTION 7. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the Hawaii employer union health benefits trust fund costs authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within collective bargaining unit (1):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 1,110	\$ 623

SECTION 8. The sums appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART V**

SECTION 9. Salary increases and cost adjustments provided in this Act for any officer or employee whose compensation is paid, in whole or in part, from federal, special, or other funds shall be paid wholly or proportionately, as the case may be, from the respective funds.

SECTION 10. Funds appropriated by this Act that are not expended or encumbered by June 30, 2016, and June 30, 2017, of the respective fiscal years, shall lapse as of those dates.

SECTION 11. This Act shall take effect on July 1, 2015.  
(Approved May 28, 2015.)

**ACT 58**

S.B. NO. 1082

A Bill for an Act Making Appropriations for Collective Bargaining Cost Items.  
*Be It Enacted by the Legislature of the State of Hawaii:*

**PART I**

SECTION 1. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the Hawaii employer union health benefits trust fund costs in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (11):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 66,887	\$ 123,689

SECTION 2. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART II**

SECTION 3. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, Hawaii employer union health benefits trust fund costs authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those of officers and employees within collective bargaining unit (11):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 3,780	\$ 6,930

SECTION 4. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART III**

SECTION 5. Salary increases and cost adjustments provided in this Act for any officer or employee whose compensation is paid, in whole or in part, from federal, special, or other funds shall be paid wholly or proportionately, as the case may be, from the respective funds.

**ACT 59**

SECTION 6. Funds appropriated by this Act that are not expended or encumbered by June 30, 2016, and June 30, 2017, of the respective fiscal years, shall lapse as of those dates.

SECTION 7. This Act, upon its approval, shall take effect on July 1, 2015.

(Approved May 28, 2015.)

**ACT 59**

S.B. NO. 1083

A Bill for an Act Making Appropriations for Collective Bargaining Cost Items.

*Be It Enacted by the Legislature of the State of Hawaii:*

**PART I**

SECTION 1. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2015-2017 the Hawaii employer-union health benefits trust fund costs contained in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (8):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 699,889	\$ 1,288,485

SECTION 2. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART II**

SECTION 3. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2015-2017 the Hawaii employer-union health benefits trust fund costs authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees excluded from collective bargaining who belong to the same compensation plans as those officers and employees within collective bargaining unit (8):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 220,555	\$ 404,741

SECTION 4. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART III**

SECTION 5. Cost adjustments provided in this Act for any officer or employee whose compensation is paid, in whole or in part, from federal, special, or other funds shall be paid wholly or proportionately, as the case may be, from the respective funds.

SECTION 6. Funds appropriated or authorized by this Act that are not expended or encumbered by June 30, 2016, and June 30, 2017, of the respective fiscal years, shall lapse as of those dates.

SECTION 7. This Act shall take effect upon its approval.  
(Approved May 28, 2015.)

**ACT 60**

S.B. NO. 1084

A Bill for an Act Making Appropriations for Collective Bargaining Cost Items.  
*Be It Enacted by the Legislature of the State of Hawaii:*

**PART I**

SECTION 1. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017 all collective bargaining cost items for salary increases and other wage related costs in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (9):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 3,306,750	\$ 6,941,459
Special Funds	16,915	35,781
Federal Funds	48,944	107,099
Other Federal Funds	72,180	145,284
Interdepartment <sup>1</sup> Transfers	5,339	11,134
Revolving Funds	29,813	62,779

Of the above amounts, the following amounts are for the department of education:

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 7,866	\$ 19,500

SECTION 2. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART II**

SECTION 3. There is appropriated from the source of funding indicated below to administration (JUD 601) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017 all collective bargaining cost items for salary increases and other wage related costs in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (9):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 14,097	\$ 31,636

SECTION 4. Funds appropriated by this part shall be expended by the chief justice in the respective fiscal year for the purposes of this part.

**PART III**

SECTION 5. There is appropriated from the source of funding indicated below to collective bargaining statewide (BUF 102) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within collective bargaining unit (9):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 43,209	\$ 91,188

SECTION 6. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART IV**

SECTION 7. There is appropriated from the source of funding indicated below to administration (JUD 601) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, by the chief justice for state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within collective bargaining unit (9):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 3,983	\$ 10,144

SECTION 8. The sums appropriated by this part shall be expended by the chief justice in the respective fiscal year for the purposes of this part.

**PART V**

SECTION 9. There is appropriated from the source of funding indicated below to Hawaii health systems corporation – corporate office (HTH 210) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the collective bargaining cost items in the agreement negotiated for state employees in collective bargaining unit (9) assigned to the Hawaii health systems corporation:

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
Special Funds	\$ 6,707,491	\$ 14,013,583

SECTION 10. Funds appropriated by this part shall be allotted by the director of finance to the Hawaii health systems corporation for expenditure in the respective fiscal year for the purposes of this part.

**PART VI**

SECTION 11. There is authorized from the source of funding indicated below to Hawaii health systems corporation – corporate office (HTH 210) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the salary increases and other cost adjustments authorized by

chapter 89C, Hawaii Revised Statutes, for state officers and employees excluded from collective bargaining assigned to the Hawaii health systems corporation who belong to the same compensation plans as those officers and employees within collective bargaining unit (9):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
Special Funds	\$ 123,831	\$ 261,594

SECTION 12. Funds authorized by this part shall be allotted by the director of finance to the Hawaii health systems corporation for expenditure in the respective fiscal year for the purposes of this part.

**PART VII**

SECTION 13. There is appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the Hawaii employer union health benefits trust fund costs in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (9):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 586,518	\$ 1,078,479

Of the above amounts, the following amounts are for the department of education:

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 668	\$ 613

SECTION 14. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART VIII**

SECTION 15. There is appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the Hawaii employer union health benefits trust fund costs for state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within collective bargaining unit (9):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 2,536	\$ 4,694

SECTION 16. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

**PART IX**

SECTION 17. Salary increases and cost adjustments provided in this Act for any officer or employee whose compensation is paid, in whole or in part,



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from federal, special, or other funds shall be paid wholly or proportionately, as the case may be, from the respective funds.

SECTION 18. Funds appropriated or authorized by this Act that are not expended or encumbered by June 30, 2016, and June 30, 2017, of the respective fiscal years, shall lapse as of those dates.

SECTION 19. This Act, upon its approval, shall take effect on July 1, 2015.

(Approved May 28, 2015.)

### Note

1. So in original.

## ACT 61

S.B. NO. 743

A Bill for an Act Relating to Activity Desks.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 468M, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§468M- Activity desk principal; responsibilities.** (a) Each activity desk shall designate a principal who shall have direct management and supervision of the activity desk, including but not limited to compliance with sections 468M-9 and 468M-10.

(b) The activity desk shall designate the activity desk principal with each registration and registration renewal and shall provide notification in writing to the department within ten days after any change in the designation of the activity desk principal.

(c) The activity desk shall disclose the name and contact information of the activity desk principal to a client trust account beneficiary upon request.

(d) For purposes of this section, “principal” means a corporate officer or director, a partner in a partnership, a sole proprietor, or an individual with an ownership interest in the activity desk who shall be a signatory of any client trust account of the activity desk.”

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. New statutory material is underscored.<sup>1</sup>

SECTION 4. This Act shall take effect on July 1, 2015; provided that for current registrants registered with the department of commerce and consumer affairs (department) prior to July 1, 2015, disclosure of an activity desk principal to the department, as required by this Act, shall commence with the registration renewal required for registrations that expire on December 31, 2017.

(Approved May 28, 2015.)

### Note

1. Edited pursuant to HRS §23G-16.5.

A Bill for an Act Relating to Mortgage Servicers.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 454M, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§454M- Residential mortgage loan delinquencies and loss mitigation efforts.** (a) Mortgage servicers shall make reasonable and good faith efforts consistent with this chapter to engage in appropriate loss mitigation options, including loan modifications, to assist borrowers to avoid foreclosure. Mortgage servicers shall provide timely and appropriate responses to borrower inquiries and complaints regarding available loss mitigation options and ensure that borrowers are not required to submit multiple copies of required documents during consideration for any loss mitigation option. In the event of a delinquency or other act of default on the part of the borrower, or whenever a borrower who is at imminent risk of default contacts the mortgage servicer with respect to a loan modification or other loss mitigation option, the mortgage servicer shall:

- (1) Inform the borrower of the facts concerning the loan, the nature and extent of the delinquency or default, the mortgage servicer’s loss mitigation option protocols, and the loss mitigation options and services offered by the mortgage servicer in accordance with this chapter; and
- (2) Pursue loss mitigation options with the borrower, including a loan modification whenever possible, in accordance with this chapter, and, if the borrower replies, negotiate with the borrower, subject to the mortgage servicer’s lawful duties and obligations under the mortgage servicing contract, if any, to attempt a resolution or work-out of the delinquency or to prevent the borrower’s default.

(b) Mortgage servicers shall consider a loan modification as an alternative to foreclosure when:

- (1) The borrower demonstrates that the borrower has experienced a financial hardship and is either unable to maintain the payment at the current amount required under the mortgage loan or is unable to make up the delinquent payments; and
- (2) The net present value of the income stream expected of the modified loan is greater than the net present value of the income stream that is expected to be recovered through the disposition of the property through a foreclosure sale.

(c) Mortgage servicers that are participating in the Home Affordable Modification Program shall offer loan modifications in compliance with the Home Affordable Modification Program guidance and directives, including using reasonable efforts to remove prohibitions or impediments to the mortgage servicer’s authority, and obtain third party consents and waivers that are required by contract or law to effectuate a loan modification under the Home Affordable Modification Program.

(d) Unless a longer time is permitted under the guidance or directives implementing the Home Affordable Modification Program, within ten business days of receiving a request from a borrower or the borrower’s authorized representative for one or more loss mitigation options, the mortgage servicer shall transmit a written acknowledgment of the request to the borrower and, if applicable, to the authorized representative. The acknowledgment shall identify with

specificity any information needed from the borrower for the mortgage servicer to review the borrower's loss mitigation option request. The acknowledgment shall also include an explanation of the loss mitigation option process, including the following, as appropriate:

- (1) The information that the borrower may be asked to provide and third party approvals that may be required for the mortgage servicer to evaluate and complete the request for a loan modification or other loss mitigation option;
- (2) The average length of time for a decision to be made regarding a loan modification or other loss mitigation option; and
- (3) A notification of the actions the mortgage servicer, lender, or owner of the mortgage may take during the loss mitigation option process, such as whether the borrower may continue to receive collection letters or foreclosure notices, whether the foreclosure process will continue, or whether and to what extent collection and foreclosure will be stayed.

(e) Within thirty days of receiving all required documentation from the borrower and third parties, unless a shorter time is required under applicable state or federal rules or regulations pertaining to mortgage servicing or under guidance or directives implementing the Home Affordable Modification Program, a mortgage servicer shall complete its evaluation of the borrower's eligibility for a loan modification or any other loss mitigation option requested by the borrower and advise the borrower, and if applicable, the borrower's authorized representative, in writing of the mortgage servicer's determination.

If the mortgage servicer approves the borrower for a loan modification, including a trial loan modification, or other loss mitigation option, the written notice shall provide the borrower with clear and understandable written information explaining the material terms, costs, and risks of the loss mitigation option offered.

If the mortgage servicer determines that the borrower cannot be approved for a loan modification or other requested loss mitigation option, the written notice shall state with specificity:

- (1) The reasons for the determination;
- (2) Procedures, deadlines, and contact information for a person at the mortgage servicer for reconsideration, dispute, or appeal of the determination; and
- (3) Any other loss mitigation option for which the borrower may be considered.

In addition, the written notice shall include the following statement, in boldface type and in print no smaller than the largest print used elsewhere in the main body of the written notice: "If you believe your loss mitigation option request has been wrongly denied, you may file a complaint with the state division of financial institutions at [insert current division telephone number] or [insert current division website address for consumer complaints]".

(f) A mortgage servicer shall take reasonable steps to ensure that the mortgage servicer's staff is aware of programs designed to assist borrowers to avoid foreclosure or resolve delinquency. The mortgage servicer shall make available to borrowers who are at least sixty days delinquent or who the mortgage servicer has reason to believe are experiencing a financial hardship and are in imminent risk of default, a list of government approved not-for-profit housing counselors in the borrower's geographic area, as listed on the website of the United States Department of Housing and Urban Development.

(g) A mortgage servicer shall maintain and make available to borrowers and borrowers' authorized representatives current contact information to com-

municate and negotiate with the mortgage servicer's designated loss mitigation option staff who are authorized to discuss and negotiate loss mitigation options. The contact information shall include all toll-free telephone numbers for direct communication with a loss mitigation option staff person, fax numbers for receipt of documents, and electronic mail addresses.

(h) The mortgage servicer shall establish and maintain a process through which borrowers may bring disagreements to a supervisory level where a separate review of the borrower's eligibility or qualification for a loss mitigation option can be performed. A mortgage servicer shall not require a borrower to waive legal claims and defenses as a condition of a loan modification, forbearance, or repayment plan.

(i) Delay caused by the mortgage servicer shall not be counted in calculating the passage of time where a Home Affordable Modification Program, proprietary, or other loan modification program specifies:

- (1) A time limit for a borrower action or response, including appealing or disputing a denial of a request for a loss mitigation option under subsection (e), or providing documents;
- (2) A time after which a document is considered stale or too old to use; or
- (3) A time during which a mortgage servicer is barred from taking certain action adverse to the borrower, including taking steps toward foreclosure or referring the borrower's account to foreclosure.

Examples of delay caused by the mortgage servicer include the mortgage servicer's failure to timely send a communication or request to the borrower, duplicative or piecemeal document requests delaying completion of a file, and failure to identify additional documents needed to complete a borrower's loan modification application. The mortgage servicer shall reasonably extend the applicable period and promptly inform the borrower in writing of the specific extension period.

(j) Nothing in this section shall be construed to prevent a mortgage servicer from offering or accepting alternative loss mitigation options, including other modification programs offered by the mortgage servicer, a short sale, a deed-in-lieu of foreclosure, or forbearance, if the borrower requests such an alternative, is not eligible for or does not qualify for a loan modification under the Home Affordable Modification Program, or rejects the mortgage servicer's loss mitigation option proposal.

(k) A mortgage servicer shall avoid taking steps to foreclose or to refer a borrower to foreclosure if the borrower has requested and is being considered for a loss mitigation option or if the borrower is in a trial or permanent loan modification and is not more than thirty days in default under the loan modification agreement.

(l) A mortgage servicer shall ensure that the mortgage servicer and the mortgage servicer's attorneys and agents comply with the requirements of chapter 667.

(m) A mortgage servicer shall establish and maintain a system for servicing delinquent loans."

SECTION 2. Section 454M-1, Hawaii Revised Statutes, is amended as follows:

1. By adding twelve new definitions to be appropriately inserted and to read:

"Bankruptcy code" refers to the United States Bankruptcy Code, title 11 United States Code, section 101 et seq., as amended.

"Business day" means Monday through Friday, excluding state holidays.

“C.F.R.” means the Code of Federal Regulations.

“Consumer Financial Protection Bureau” means the agency of the United States government referenced in title 12 United States Code chapter 53, subchapter V.

“Division of financial institutions” or “division” means the division of financial institutions of the department of commerce and consumer affairs.

“Home Affordable Modification Program” means the program established by the United States Department of the Treasury, pursuant to sections 101 and 109 of the Emergency Economic Stabilization Act of 2008, as section 109 of the Act has been amended by section 7002 of the American Recovery and Reinvestment Act of 2009. The Home Affordable Modification Program is a component of the Making Home Affordable Program, also known as the MHA Program.

“Loan modification” means a temporary or permanent change to the terms of a borrower’s existing mortgage loan agreement, mutually agreed to between a borrower and a lender.

“Loss mitigation option” means an alternative to foreclosure, including loan modification, reinstatement, forbearance, deed-in-lieu, and short sale.

“Principal office” means the office location where the company’s core executive and administrative functions are primarily carried out.

“Real Estate Settlement Procedures Act” means title 12 United States Code chapter 27, as amended, and regulations adopted thereunder also known as Regulation X, title 12 C.F.R. part 1024.

“Received” means, in the context of the date of payment, the date that the payment instrument or other means of payment reaches the mortgage servicer, in accordance with title 12 C.F.R. section 1026.36(c).

“Servicing” means the business activity of a mortgage servicer.”

2. By amending the definitions of “borrower” and “mortgage servicer” to read:

“Borrower” means the obligor, maker, cosigner, or guarantor under a mortgage loan agreement. For purposes of this chapter, a borrower may also be referred to as a consumer.

“Mortgage servicer” means the person responsible for collecting, receiving, and processing any scheduled periodic payments from a borrower pursuant to the terms of any residential mortgage loan, including amounts for escrow accounts under [section 10 of] the Real Estate Settlement Procedures Act, [12 United States Code section 2609,] and for making the payments to the owner of the loan or other third parties of principal and interest and such other payments with respect to the amounts received from the borrower as may be required pursuant to the terms of the mortgage servicing loan documents or servicing contract. In the case of a home equity conversion mortgage or reverse mortgage as referenced in this chapter, servicing includes making payments to the borrower.”

SECTION 3. Section 454M-2, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) No person shall engage in the business of mortgage servicing in this State unless the person providing services has a physical presence in the State pursuant to section [454M-5(a)(5)-] 454M-5(b)(6).”

SECTION 4. Section 454M-4, Hawaii Revised Statutes, is amended to read as follows:

“§454M-4 License; fees; renewals; notices; voluntary surrender of license[-]; bonds. (a) [A-] The commissioner may approve a license or license

renewal application upon receipt of a complete application; provided that an applicant for licensure shall file an application on a form prescribed by NMLS or by the commissioner and shall pay an application fee of \$675. Each license shall expire on December 31 of each calendar year[-] unless the license is renewed. A [license] licensee may [be renewed] apply for license renewal by filing a renewal statement on a form prescribed by NMLS or by the commissioner and paying a renewal fee of \$425, at least four weeks prior to December 31. All fees paid pursuant to this section, including fees paid in connection with an application, shall be nonrefundable. No fee paid pursuant to this section shall be prorated if the license is surrendered, revoked, or suspended prior to the expiration of the period for which it was approved.

(b) To fulfill the purposes of this chapter, the commissioner may establish relationships or contracts with NMLS or other entities designated by NMLS to collect and maintain records and process transaction fees or other fees related to licensees or other persons subject to this chapter.

(c) To the extent reasonably necessary to participate in NMLS, the commissioner may modify any or all of the requirements of subsections (e) and ~~(f)~~ (i).

(d) The commissioner may use NMLS as an agent for requesting information from and distributing information to the United States Department of Justice, any governmental agency, or any other source, as directed by the commissioner.

(e) The applicant shall submit any other information that the commissioner may require, including the applicant's:

- (1) Form and place of organization;
- (2) Tax identification number; and
- (3) Proposed method of doing business.

The applicant shall disclose whether the applicant or any of its officers, directors, employees, managers, agents, partners, or members have ever been issued or been the subject of an injunction or administrative order pertaining to any aspect of the lending business, have ever been convicted of a misdemeanor involving the lending industry or any aspect of the lending business, or have ever been convicted of any felony.

(f) A mortgage servicer license shall not be transferable or assignable. No licensee shall use any name other than the licensee's legal name or a fictitious name approved by the commissioner; provided that no licensee shall use the licensee's legal name if the commissioner disapproves of the use of the licensee's legal name.

(g) A mortgage servicer licensee may change the licensee's name or the address of any of the licensee's offices specified on the most recent filing with NMLS if:

- (1) The licensee files the change with NMLS and, in the case of the principal office or a branch office, provides directly to the commissioner a bond rider or endorsement, or addendum, as applicable, to any bond on file with the commissioner that reflects the new name or address of the principal office or branch office; and
- (2) The commissioner approves the change in writing.

(h) The mortgage servicer licensee shall file with NMLS or, if the information cannot be filed with NMLS, directly notify the commissioner in writing no later than five business days after the licensee has reason to know of the occurrence of any of the following events:

- (1) Filing for bankruptcy or the consummation of a corporate restructuring of the licensee;

- (2) Filing of a criminal indictment against the licensee or receiving notification of the filing of any criminal felony indictment or felony conviction of any of the licensee's officers, directors, employees, managers, agents, members, partners, or shareholders owning ten per cent or more of the outstanding stock of the licensee;
- (3) Receiving notification of the initiation of license denial, cease and desist, suspension or revocation procedures, or other formal or informal regulatory action by any governmental agency against the licensee and the reasons for the action;
- (4) Receiving notification of the initiation of any action against the licensee by the state attorney general or the attorney general of any other state and the reasons for the action;
- (5) Suspension or termination of the licensee's status as an approved servicer by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or Government National Mortgage Association;
- (6) Receiving notification that certain servicing rights of the licensee will be rescinded or canceled, and the reasons provided therefor;
- (7) Receiving notification of filing for bankruptcy of any of the licensee's officers, directors, members, managers, agents, partners, or shareholders owning ten per cent or more of the outstanding stock of the licensee; or
- (8) Receiving notification of the initiation of a class action lawsuit on behalf of consumers against the licensee that is related to the operation of the licensed business.

[(f)] (i) A mortgage servicer licensed under this chapter may voluntarily cease business and surrender its license by giving written notice to the commissioner of its intent to surrender its mortgage servicer license. Notice pursuant to this subsection shall be given at least thirty days before the surrender of the license and shall include:

- (1) The date of surrender;
- (2) The name, address, telephone number, facsimile number, and electronic address of a contact individual with knowledge and authority sufficient to communicate with the commissioner regarding all matters relating to the licensee during the period that it was licensed pursuant to this chapter;
- (3) The reason or reasons for surrender;
- (4) The original license issued pursuant to this chapter to the mortgage servicer; and
- (5) If applicable, a copy of all notices to affected borrowers required by the Real Estate Settlement Procedures Act[, title 12 United States Code section 2601 et seq., or by regulations adopted pursuant to the Real Estate Settlement Procedures Act,] of the assignment, sale, or transfer of the servicing of all relevant loans that the licensee is currently servicing under the license being surrendered.

Voluntary surrender of a license shall be effective upon the date of surrender specified on the written notice to the commissioner as required by this subsection; provided that if a mortgage servicer is required to assign, sell, or transfer the servicing of any loans, the voluntary surrender of the mortgage servicer's license shall be effective upon the effective date of the assignment, sale, or transfer of the servicing of all loans.

(j) Before a mortgage servicer's license becomes effective, the applicant or licensee shall file with the commissioner a surety bond written by a surety authorized to write surety bonds in this State, covering the applicant or licensee's

principal office and any branch office from which the applicant or licensee acts as a mortgage servicer, in a penal sum of \$100,000. No mortgage servicer licensee shall act as a mortgage servicer in this State without maintaining the surety bond required by this section.

The surety bond shall be:

- (1) In a form approved by the attorney general of this State; and
- (2) Conditioned upon the mortgage servicer licensee faithfully performing any and all written agreements or commitments with or for the benefit of borrowers and mortgagees, truly and faithfully accounting for all funds received from a borrower or mortgagee in the person's capacity as a mortgage servicer, and conducting the mortgage business consistent with the provisions of this chapter to perform any written agreements or commitments.

(k) The commissioner, or any person claiming to have sustained damage by reason of the failure of the mortgage servicer to comply with the mortgage servicer's bond, or by the wrongful conversion of funds paid by a borrower to the mortgage servicer, may bring an action on the bond to recover the damage therefrom. The commissioner may deposit with a court of competent jurisdiction all or any part of the sum of the bond. The proceeds of the bond, even if mixed with other assets of the principal, shall be deemed by operation of law to be held in trust for the benefit of claimants against the principal in the event of bankruptcy of the principal and shall be immune from attachment by creditors and judgment creditors. The surety bond shall run concurrently with the period of the license for the principal office of the mortgage servicer and the aggregate liability under the bond shall not exceed the penal sum of the bond. The principal shall notify the commissioner of the commencement of an action on the bond. When an action is commenced on a principal's bond, the commissioner may require the filing of a new bond and immediately on recovery on any action on the bond, the principal shall file a new bond.

(l) A surety may cancel the surety bond required by this section at any time by a written notice to the principal stating the date cancellation shall take effect. The notice shall be sent by certified mail to the principal at least thirty days prior to the date of cancellation. A surety bond shall not be canceled unless the surety notifies the commissioner, in writing, not less than thirty days prior to the effective date of cancellation. After receipt of the notification from the surety, the commissioner shall give written notice to the principal of the date the cancellation shall take effect. The commissioner shall automatically suspend the license of a mortgage servicer on that date. No automatic suspension or inactivation shall occur if, prior to the date that the bond cancellation shall take effect:

- (1) The principal submits a letter of reinstatement of the bond or a new bond; or
- (2) The mortgage servicer licensee has ceased business in this State and has surrendered all licenses in accordance with this chapter.

Automatic suspension of a mortgage servicer license by the commissioner, and subsequent orders and proceedings, if any, shall be conducted pursuant to section 454M-7.

(m) If the commissioner finds that the financial condition of a mortgage servicer so requires, as evidenced by the reduction of tangible net worth, financial losses, or potential losses as a result of a violation of law or rule, the commissioner may require one or more additional bonds that meet the requirements of this section. The licensee shall file any additional bonds no later than ten days after receipt of the commissioner's written notice of the requirement for one or more additional bonds. A mortgage servicer or mortgage lender licensee shall file, as the commissioner may require, any bond rider or endorsement or



addendum, as applicable, to any bond on file with the commissioner to reflect any changes necessary to maintain the surety bond required by this section.

(n) For purposes of this section, "principal" means, in the context of a surety bond requirement, the primary party who will perform the contractual obligation."

SECTION 5. Section 454M-5, Hawaii Revised Statutes, is amended to read as follows:

"§454M-5 ~~[Duties]~~ **Additional duties of a mortgage servicer; ~~[disclosures; good faith]- and fair dealing; disclosures; payments, accounting, and records; assignment of servicing rights.~~** (a) A mortgage servicer licensed or acting under this chapter, ~~[it]~~ has a duty of good faith and fair dealing in its communications, transactions, and course of dealings with each borrower in connection with the servicing of the borrower's mortgage loan.

(b) In addition to any other duties imposed by law, a mortgage servicer shall:

- (1) Safeguard and account for any money handled for the borrower;
- (2) Follow reasonable and lawful instructions from the borrower consistent with the underlying note and mortgage;
- ~~[(2)]~~ (3) Act with reasonable skill, care, timeliness, promptness, and diligence;
- ~~[(3)]~~ (4) Disclose to the commissioner in the servicer's license application and each yearly renewal a complete, current schedule of the ranges of costs and fees it charges borrowers for its servicing-related activities;
- ~~[(4)]~~ (5) File a report with each yearly renewal statement in a form and format acceptable to the ~~[director]~~ commissioner detailing the servicer's activities in this State, including:
  - (A) The number of mortgage loans the servicer is servicing;
  - (B) The type and characteristics of loans serviced in this State;
  - (C) The number of serviced loans in default, along with a breakdown of thirty-, sixty-, and ninety-day delinquencies;
  - (D) Information on loss mitigation activities, including details on workout arrangements undertaken;
  - (E) Information on foreclosures commenced in this State;
  - (F) The affiliations of the mortgage servicer, including any lenders or mortgagees for which the mortgage servicer provides service, any subsidiary or parent entities of the mortgage servicer, and a description of the authority held by the mortgage servicer through its affiliations; and
  - (G) Any other information that the commissioner may require; and
- ~~[(5)]~~ (6) Maintain an office in the State that is staffed by at least one agent or employee for the purposes of addressing consumer inquiries or complaints and accepting service of process; provided that the mortgage servicer's business constitutes at least a twenty per cent share of the portion of the total mortgage loan service market in the State that was serviced by mortgage servicers licensed under this chapter within the previous calendar year; and provided further that nothing in this section shall prohibit a mortgagee as defined by section 667-1 or a mortgage servicer from contracting with a licensee that maintains an office in this State in conformity with this section

for the purposes of addressing consumer inquiries or complaints and accepting service of process.

(c) A mortgage servicer shall comply with the following requirements concerning handling and processing of mortgage payments:

- (1) Except as provided in paragraph (4), all payments received by a mortgage servicer on a mortgage loan at the address where the borrower has been instructed in writing to make payments shall be accepted and credited, or treated as credited, on the business day received, to the extent that the borrower has provided sufficient information to credit the account. For all mortgage loans originated after July 1, 2015, except where inconsistent with federal law or regulation, payments shall be credited to the principal and interest due on the home loan before crediting the payments to taxes, insurance, or fees;
- (2) Methods of payment and payment instruments shall be reasonable;
- (3) If a mortgage servicer specifies in writing requirements for the borrower to follow in making payments, but accepts a payment that does not conform to the requirements, the mortgage servicer shall credit the payment as soon as commercially practicable, but in no event later than three business days after receipt;
- (4) Late payments of principal and interest shall be credited before any late charge is collected; and
- (5) If the mortgage servicer receives any payment on a mortgage loan and suspenses the payment, does not credit the payment, or does not treat the payment in accordance with this section, the mortgage servicer, within ten days of receipt, shall send the borrower notice by mail at the borrower's last known address indicating the reason the payment was suspended or was not credited or treated as credited to the account, and specifying any actions by the borrower necessary to make the loan current.

(d) A mortgage servicer shall comply with the following requirements concerning escrows for the payment of taxes and insurance:

- (1) Any mortgage servicer who receives funds from a borrower to be held in escrow for payment of taxes and insurance premiums shall pay the taxes and insurance premiums of the borrower to the appropriate taxing authority and insurance company in the amount required and at the time the taxes and insurance premiums are due, in accordance with the requirements of the Real Estate Settlement Procedures Act, including title 12 C.F.R. section 1024.17, and shall be liable to the borrower as provided therein;
- (2) If the amount held in the escrow account as of the date the taxes and insurance premiums are due is insufficient to pay the taxes and insurance premiums, the mortgage servicer shall pay the taxes and insurance premiums from the mortgage servicer's own funds; provided that the borrower has paid to the mortgage servicer the amounts required to be paid into the escrow account, as determined by the mortgage servicer, for all amounts scheduled to be paid to the mortgage servicer prior to the date the taxes and insurance premiums are due; and
- (3) Where an escrow account has been established and a mortgage servicer advances funds in paying a disbursement that is not the result of a borrower's payment default under the underlying mortgage document, the mortgage servicer shall conduct an escrow account analysis to determine the reasons for and extent of the deficiency

and shall provide a written explanation to the borrower before seeking repayment of the funds from the borrower. The mortgage servicer shall then give the borrower the option of paying the shortage over a period of not less than one year. The mortgage servicer shall not charge or collect interest on any shortage during the payment period.

Any mortgage servicer who violates any provision of this subsection shall be liable to the borrower: for any penalties, interest, or other charges levied by the taxing authority or insurance company as a result of any violation; any actual damages suffered by the borrower as a result of the violation, including any amount that would have been paid by an insurer for a casualty or liability claim had the insurance policy not been canceled for nonpayment by the mortgage servicer; and, in the case of any successful action to enforce the foregoing liability, the costs of the action together with reasonable attorney's fees as determined by the court.

(e) A mortgage servicer shall comply with the following requirements concerning statements of account:

(1) At least once annually, within thirty days of the end of the computation year, a mortgage servicer shall deliver to the borrower a plain language statement of the borrower's account showing the unpaid principal balance of the mortgage loan at the end of the immediately preceding twelve-month period, the interest paid during that period, and the amounts deposited into escrow and disbursed from escrow during the period. The annual escrow statement may be provided separately from the annual statement showing the unpaid principal and interest paid. The format and content of the annual escrow statement shall comply with the Real Estate Settlement Procedures Act, including title 12 C.F.R. section 1024.17;

(2) A mortgage servicer shall promptly provide a borrower with an accurate accounting in plain English of the debt owed when requested by the borrower or borrower's authorized representative. Within thirty days of receipt of a request from the borrower or the borrower's authorized representative, a mortgage servicer shall deliver to the borrower a payment history for the last thirty-six months of the borrower's account, unless a different period is requested, showing the date and amount of all payments made or credited to the account and the total unpaid balance. The mortgage servicer shall have sixty days to deliver a payment history where the request is for a period longer than the last thirty-six months;

(3) A fee shall not be charged to the borrower for the annual escrow statement or for one payment history furnished to a borrower in a twelve-month period; and

(4) A shortage, surplus, or deficiency in the escrow account shall be handled in accordance with the Real Estate Settlement Procedures Act, including title 12 C.F.R. section 1024.17. Alternatively, with the consent of the borrower, an excess balance may be applied to the principal balance.

(f) Except where inconsistent with the automatic stay provisions of the Bankruptcy Code with respect to a borrower in a pending bankruptcy proceeding, a mortgage servicer shall send a payment reminder notice to a borrower at the borrower's last known address no later than seventeen days after the payment becomes due and remains unpaid; provided that a mortgage servicer is not required to send a separate payment reminder notice for each consecutive month in which the mortgage loan continues to remain unpaid.

(g) A mortgage servicer shall provide a clear, understandable, and accurate statement of the total amount that is required to pay off the mortgage loan as of a specified date, within a reasonable time, but in any event no more than five business days after receipt of a request from the borrower or borrower's authorized representative. No borrower shall be charged a fee for being informed or receiving a payoff statement or for being provided with a release upon full prepayment; provided that a mortgage servicer may charge a reasonable fee for providing a payoff statement after five or more requests in any calendar year.

(h) A mortgage servicer shall comply with the following requirements concerning handling consumer complaints and inquiries:

- (1) A mortgage servicer shall follow the requirements of the Real Estate Settlement Procedures Act, including requests for error and information resolution procedures under title 12 C.F.R. sections 1024.35 and 1024.36;
- (2) In addition to the requirements of the Real Estate Settlement Procedures Act, a mortgage servicer shall establish and maintain a system to respond to and resolve borrower inquiries and complaints in a prompt and appropriate manner;
- (3) Within ten business days of receiving a request in writing from a borrower or the borrower's authorized representative, a mortgage servicer shall provide the borrower with the name, address, phone number or electronic mail address, if available, and other relevant contact information for the owner or assignee of the mortgage loan; and
- (4) In addition to the information required to be disclosed under this section, a mortgage servicer may, at its option, provide any other information regarding the servicing of the loan that the mortgage servicer believes would be helpful to a borrower; provided that any additional information does not contradict or obscure the required disclosures.

(i) A mortgage servicer shall comply with the following requirements concerning fees:

- (1) A mortgage servicer shall maintain and keep current a schedule of standard or common fees that the mortgage servicer charges borrowers for the servicer's servicing-related activities, such as nonsufficient fund fees. The schedule shall identify each fee, provide a plain English explanation of the fee, and state the amount of the fee or range of amounts. If there is no standard fee, the schedule shall explain how the fee is calculated or determined. A mortgage servicer shall make its schedule available on the mortgage servicer's website and to the borrower or the borrower's authorized representative upon request;
- (2) A mortgage servicer may only collect a fee if the fee is for services actually rendered and one of the following conditions is met:
  - (A) The fee is clearly and conspicuously disclosed by the loan instruments and not prohibited by law;
  - (B) The fee is expressly permitted by law and not prohibited by the loan instruments; or
  - (C) The fee is not prohibited by law or the loan instruments and is a reasonable fee for a specific service requested by the borrower that is assessed only after clear and conspicuous disclosure of the fee is provided to the borrower and the borrower expressly consents to pay the fee in exchange for the services;

- (3) In addition to the limitations in paragraph (2), attorneys' fees charged in connection with a foreclosure action shall not exceed reasonable and customary fees for the work. If a foreclosure action or proceeding is terminated prior to the public sale because of a loss mitigation option, a reinstatement, or payment in full, the borrower shall only be liable for reasonable and customary fees for work actually performed; and
- (4) A mortgage servicer shall not impose any late fee or delinquency charge when the only delinquency is attributable to late fees or delinquency charges assessed on an earlier payment and the payment is otherwise a full payment for the applicable period and is paid on its due date or within any applicable grace period. Late charges shall not be:
  - (A) Based on an amount greater than the past due amount;
  - (B) Collected from the escrow account or from escrow surplus without the approval of the borrower; or
  - (C) Deducted from any regular payment.
- (j) Each mortgage servicer licensee shall maintain adequate records of each residential mortgage loan transaction at the office named in the mortgage servicer license.
- (k) Upon assignment of servicing rights on a residential mortgage loan, the mortgage servicer shall disclose to the borrower:
  - (1) Any notice required by the Real Estate Settlement Procedures Act, including title 12 C.F.R. section 1024.33, within the time periods prescribed therein; and
  - (2) A schedule of the ranges and categories of the mortgage servicer's costs and fees for the servicer's servicing-related activities, which shall comply with state and federal law and, if the disclosure is made by a mortgage servicer licensee, shall not exceed those reported to the commissioner in accordance with this chapter.
- ~~[(b)] (l) At the time a servicer accepts assignment of servicing rights for a mortgage loan, the servicer shall disclose to the borrower all of the following:~~
  - ~~(1) A notice required by the Real Estate Settlement Procedures Act[; 12 United States Code section 2601 et seq., or by regulations promulgated thereunder];~~
  - (2) A schedule of the ranges and categories of its costs and fees for its servicing-related activities, which shall comply with this chapter and which shall not exceed those reported to the commissioner; and
  - (3) A notice in a form and content acceptable to the commissioner that the servicer is licensed by the commissioner and that complaints about the servicer may be submitted to the commissioner.
- ~~[(e) In the event of a delinquency or other act of default on the part of the borrower, the servicer shall act in good faith to inform the borrower of the facts concerning the loan and the nature and extent of the delinquency or default, and, if the borrower replies, shall negotiate with the borrower, subject to the servicer's duties and obligations under the mortgage servicing contract, if any, to attempt a resolution or workout relating to the delinquency.]~~
- (m) Where this chapter requires compliance with the Real Estate Settlement Procedures Act, the required compliance applies to any person subject to this chapter, whether or not the Real Estate Settlement Procedures Act applies to that person or transaction."

SECTION 6. Section 454M-6, Hawaii Revised Statutes, is amended to read as follows:

**“§454M-6 Prohibited activities.** (a) It shall be ~~[unlawful]~~ a violation of this chapter for any mortgage servicer in the course of any mortgage loan transaction~~[-], or in connection with any mortgage servicing business, to:~~

- (1) ~~[To misrepresent]~~ Misrepresent or conceal material facts, ~~[to]~~ make false promises, or ~~[to]~~ pursue a course of misrepresentation through its agents or otherwise;
- (2) ~~[To engage]~~ Engage in any transaction, practice, or course of business that is not in good faith, does not constitute fair dealing, or that constitutes a fraud upon any person, in connection with the servicing, purchase, or sale of any mortgage loan;
- ~~(3) To fail to comply with the mortgage loan servicing transfer, escrow account administration, or borrower inquiry response requirements imposed by sections 6 and 10 of the Real Estate Settlement Procedures Act, 12 United States Code sections 2605 and 2609, and regulations adopted thereunder by the Secretary of Housing and Urban Development; or~~
- (4) ~~To fail to comply with applicable federal laws and regulations related to mortgage servicing.~~
- (3) Obtain property by fraud or misrepresentation;
- (4) Misapply residential mortgage loan payments;
- (5) Misapply payments to escrow accounts;
- (6) Require any amount of funds to be remitted by means more costly to the borrower than a bank or certified check or attorney's check from an attorney's account to be paid by the borrower;
- (7) Fail to timely pay taxes or insurance premiums of the borrower, if and as required by this chapter;
- (8) Fail to follow procedures concerning escrows for the payment of taxes and insurance as required by this chapter;
- (9) Place hazard, homeowner's, or flood insurance on the mortgaged property when the mortgage servicer knows or has reason to know that the borrower has an effective policy for such insurance;
- (10) Fail to provide written notice to a borrower upon taking action to place hazard, homeowner's, or flood insurance on the mortgaged property, including a clear and conspicuous statement of the procedures by which the borrower may demonstrate that the borrower has the required insurance coverage and by which the mortgage servicer shall terminate the insurance coverage placed by the mortgage servicer and refund or cancel any insurance premiums and related fees paid by or charged to the borrower;
- (11) Place hazard, homeowner's, or flood insurance on a mortgaged property, or require a borrower to obtain or maintain such insurance, in excess of the replacement cost of the improvements;
- (12) Fail to provide to the borrower a refund of unearned premiums paid by a borrower or charged to the borrower for hazard, homeowner's, or flood insurance placed by a mortgagee or the mortgage servicer if the borrower provides reasonable proof that the borrower has obtained coverage such that the forced placement insurance is no longer necessary and the property is insured. If the borrower provides reasonable proof that no lapse in coverage occurred such that the forced placement was not necessary, the mortgage servicer shall promptly refund the entire premium;
- (13) Collect private mortgage insurance beyond the date for which private mortgage insurance is required;

- (14) Collect, charge, attempt to collect or charge, or use or propose any agreement purporting to collect or charge, any fee not in compliance with, or prohibited by, this chapter;
  - (15) Fail to provide a timely and accurate statement of account, as required by this chapter;
  - (16) Fail to handle a consumer complaint or inquiry in accordance with this chapter;
  - (17) Provide inaccurate information to a credit bureau, thereby harming a borrower's creditworthiness;
  - (18) Fail to report both the favorable and unfavorable payment history of the borrower to a nationally recognized consumer credit bureau at least annually if the mortgage servicer regularly reports information to a credit bureau;
  - (19) Fail to provide or submit a timely, complete, and accurate notice, acknowledgment, statement, information, explanation, reminder, communication, or other information to any person as required by this chapter;
  - (20) Fail to comply with loss mitigation option requirements of this chapter;
  - (21) Fail to offer loan modifications in compliance with the Home Affordable Modification Program guidelines or directives, if the mortgage servicer is participating in the Home Affordable Modification Program;
  - (22) Fail to comply with the requirements of chapter 667 and ensure that the mortgage servicer's attorneys and agents comply with chapter 667;
  - (23) Refuse to communicate with an authorized representative of the borrower who provides a written authorization signed by the borrower; provided that the mortgage servicer may adopt procedures reasonably related to verifying that the representative is in fact authorized to act on behalf of the borrower;
  - (24) Fail to provide a timely payoff statement as required by this chapter;
  - (25) Fail to issue a release of mortgage in accordance with section 506-8;
  - (26) Conduct any business for which this chapter requires a license without holding a valid license as required under this chapter or assist or aid and abet any person in the conduct of business without a valid license as required under this chapter;
  - (27) Engage in the business of mortgage servicing without complying with bonding requirements of this chapter;
  - (28) Transfer or assign its mortgage servicer license;
  - (29) Change its name or office address without complying with the requirements of this chapter;
  - (30) Fail to maintain adequate records of each residential mortgage loan transaction at the office named in the mortgage servicer license; or
  - (31) Make any false statement or omission of a material fact, in connection with any information or reports filed with a governmental agency or NMLS or in connection with any investigation conducted by the commissioner or another governmental agency.
- (b) It shall be a violation of this chapter for any mortgage servicer in the course of any mortgage loan transaction to fail to comply with any:
- (1) Applicable federal law or regulation related to mortgage servicing, including but not limited to:
    - (A) The Real Estate Settlement Procedures Act, including the mortgage loan servicing transfer, escrow account administra-

tion, and borrower request for information and error resolution requirements;

- (B) The Truth in Lending Act, title 15 United States Code sections 1601 through 1667f, as amended, and Regulation Z adopted thereunder, title 12 C.F.R. part 226, as amended; or
  - (C) Rules and regulations issued or administered by the Consumer Financial Protection Bureau, and interpretations of the rules by the Consumer Financial Protection Bureau through interpretive rules, bulletins, statements of policy, and statements of guidance;
- (2) Agreement with a governmental entity, agency, agent, or regulator, or state attorney general that applies to the mortgage servicer, including:
- (A) A servicer participation agreement or other agreement to participate in the Home Affordable Modification Program or other Making Home Affordable program;
  - (B) Home Affordable Modification Program rules, including guidance provided by Making Home Affordable program handbooks, and supplemental directives; or
  - (C) The National Mortgage Settlement reached in 2012 by the federal government and forty-nine states, with the five largest mortgage servicers in the United States, to address mortgage servicing, foreclosure, and bankruptcy abuses;
- (3) Order of a court or government regulator that applies to the mortgage servicer;
- (4) Provision of this chapter or any rule adopted pursuant to this chapter; or
- (5) Federal or state law, rule, or regulation.

~~[(b)]~~ (c) It shall be [unlawful] a violation of this chapter for any mortgage servicer to provide any mortgage loan modifications or other services that would require licensing pursuant to chapter 454F, unless the mortgage servicer is licensed under chapter 454F.

(d) Notwithstanding any other provision of this chapter, a mortgage servicer shall not be in violation of this chapter if performance of a requirement under this chapter would constitute a violation of federal law, rules, or regulations.”

SECTION 7. Section 667-32, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) After the public sale is held, the foreclosing mortgagee shall sign an affidavit under penalty of perjury:

- (1) Stating that the power of sale foreclosure was made pursuant to the power of sale provision in the mortgage;
- (2) Stating that the power of sale foreclosure was conducted as required by this part;
- (3) Summarizing what was done by the foreclosing mortgagee;
- (4) Attaching a copy of the recorded notice of default and intention to foreclose;
- (5) Attaching a copy of the last public notice of the public sale;
- (6) Referencing the document number of the affiliate statement filed at the bureau of conveyances as required under section 667-58; and
- (7) Stating the date of filing and any relevant referencing information assigned by the division of financial institutions to the statement filed with the commissioner of financial institutions of the mort-



gage servicer affiliate statement as required under section [454M-5(a)(4)(F)-] 454M-5(b)(5)(F).”

SECTION 8. Section 667-58, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) Any notice provided by a mortgage servicer, including an agent, employee, or representative of that mortgage servicer, shall be issued only by a mortgage servicer that has been listed in the affiliate statement filed by the foreclosing mortgagee or lender under subsection (a); provided further that the mortgage servicer shall be licensed under or otherwise exempt from chapter 454M. The agency relationship or affiliation of the mortgage servicer and the foreclosing mortgagee or lender and any authority granted or conferred to that mortgage servicer shall be described in the affiliate statement filed under both subsection (a) and section [454M-5(a)(4)(F)-] 454M-5(b)(5)(F).”

SECTION 9. For persons holding a current license under chapter 454M, Hawaii Revised Statutes, on the effective date of this Act, the surety bond requirements under section 454M-4(j) to (n), Hawaii Revised Statutes, established by section 4 of this Act, shall apply as of the date of the licensee’s next license renewal under chapter 454M, Hawaii Revised Statutes, immediately following the effective date of this Act, but in no case later than December 31, 2015.

SECTION 10. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

SECTION 11. This Act shall take effect upon its approval.

(Approved May 28, 2015.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 63

S.B. NO. 1094

A Bill for an Act Relating to Insurance.

*Be It Enacted by the Legislature of the State of Hawaii:*

PART I

SECTION 1. Chapter 431K, Hawaii Revised Statutes, is amended by adding two new sections to be appropriately designated and to read as follows:

“**§431K-A Registration fees and service fees of purchasing groups.** (a) A purchasing group that intends to do business in this State shall pay an initial registration fee of \$300 to the commissioner and shall thereafter pay annually a service fee of \$150 on or before August 16 of each year in which the purchasing group intends to do business in this State.

(b) If the service fee is not paid on or before August 16 of the year in which payment is due, a penalty shall be imposed in the amount of fifty per cent of the service fee. The commissioner shall provide written notice of the delinquency of payment and the imposition of the authorized penalty. If the service fee and the penalty are not paid within thirty days immediately following the

date of the notice of delinquency, the commissioner may revoke the registration of the purchasing group and may not reinstate the registration until the service fee and the penalty have been paid.

**§431K-B Registration fees and service fees of risk retention groups not chartered in this State.** (a) A risk retention group chartered in states other than this State and seeking to do business as a risk retention group in this State shall pay an initial registration fee of \$300 to the commissioner and shall thereafter pay annually a service fee of \$150 on or before August 16 of each year in which the risk retention group intends to do business in this State.

(b) If the service fee is not paid on or before August 16 of the year in which payment is due, a penalty shall be imposed in the amount of fifty per cent of the service fee. The commissioner shall provide written notice of the delinquency of payment and the imposition of the authorized penalty. If the service fee and the penalty are not paid within thirty days immediately following the date of the notice of delinquency, the commissioner may revoke the registration of the risk retention group and may not reinstate the registration until the service fee and the penalty have been paid.

SECTION 2. Chapter 432, Hawaii Revised Statutes, is amended by adding a new section to article 2, part I, to be appropriately designated and to read as follows:

**“§432:2- Fees.** (a) The commissioner shall collect, in advance, the following fees:

- (1) Certificate of authority:
  - (A) Application for a certificate of authority: \$900;
  - (B) Issuance of certificate of authority: \$600;
- (2) Organization of domestic fraternal benefit societies:
  - (A) Application for a preliminary certificate of authority: \$1,500;
  - (B) Issuance of preliminary certificate of authority: \$150; and
- (3) For all services subsequent to the issuance of a certificate of authority, including extension of the certificate of authority: \$600 per year.

(b) No certificate of authority shall contain an expiration date, but all certificates of authority shall be extended by the commissioner from time to time in order to continue to be valid. When the commissioner issues or extends a certificate of authority, the commissioner shall determine the date prior to which the certificate of authority shall be extended and shall so notify the insurer in writing. This date is called the extension date. The extension date shall be any date not less than one year and not more than three years after date of issue or extension of the certificate of authority. If the insurer qualifies, its certificate of authority shall be extended. The commissioner shall provide each holder of a certificate of authority at least thirty days' advance written notice of the applicable extension date. If the fee for the extension of the certificate of authority is not paid before or on the extension date, a penalty shall be imposed in the amount of fifty per cent of the fee. The commissioner shall provide notice in writing of the delinquency of extension and the imposition of the authorized penalty. If the fee and the penalty are not paid within thirty days immediately following the date of the notice of delinquency, the commissioner may revoke the certificate of authority and may not reinstate the certificate of authority until the fee and penalty have been paid.

(c) All fees and penalties collected pursuant to this section shall be deposited to the credit of the compliance resolution fund.”

SECTION 3. Section 431:2D-102, Hawaii Revised Statutes, is amended by amending the definition of "market conduct examination" to read as follows:  
 "Market conduct examination" means the examination of the insurance operations of an insurer licensed to do business in this State to evaluate compliance with the applicable laws and rules of this State. A market conduct examination may be either a comprehensive examination or a targeted examination. A market conduct examination is separate and distinct from a financial examination of an insurer performed pursuant to article [5:] 2, but may be conducted at the same time."

SECTION 4. Section 431:3-214, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) No certificate of authority shall contain an expiration date, but all certificates of authority ~~must~~ shall be extended by the commissioner from time to time in order to continue to be valid. When the commissioner issues or extends a certificate of authority, the commissioner shall determine the date prior to which the certificate of authority must be extended and shall so notify the insurer in writing. This date is called the extension date. The extension date shall be any date not less than one year and not more than three years after date of issue or extension of the certificate of authority. If the insurer qualifies, its certificate of authority shall be extended. The commissioner shall provide each holder of a certificate of authority at least thirty days' advance written notice of the applicable extension date."

SECTION 5. Section 431:5-307, Hawaii Revised Statutes, is amended as follows:

1. By amending subsections (e) and (f) to read:

"(e) Except as otherwise provided in subsections (f), (g), and (n), the minimum standard for the valuation of policies and contracts issued prior to January 1, 1956, shall be that provided by the laws in effect immediately prior to January 1, 1956.

Except as otherwise provided in subsections (f), (g), and (n), the minimum standard for the valuation of all policies and contracts issued on or after January 1, 1956, shall be the commissioner's reserve valuation methods defined in subsections (h), (i), (l), and (n), three and one-half per cent interest, or in the case of life insurance policies and contracts, other than annuity and pure endowment contracts, issued on or after June 1, 1976, four per cent interest for policies issued prior to June 1, 1979, five and one-half per cent interest for single premium life insurance policies, and four and one-half per cent interest for all other policies issued on or after June 1, 1979, and the following tables:

(1) For ordinary policies of life insurance issued on the standard basis, excluding any ~~accident and health~~ disability income and accidental death benefits in the policies: the Commissioners 1941 Standard Ordinary Mortality Table for the policies issued prior to the operative date of section 431:10D-104(e)(6), the Commissioners 1958 Standard Ordinary Mortality Table for the policies issued on or after the operative date of section 431:10D-104(e)(6) and prior to the operative date of section ~~[[431:10D-104(e)(8)]]~~; provided that for any category of the policies issued on female risks, all modified net premiums and present values referred to in this section may be calculated according to an age not more than six years younger than the actual age of the insured; and for the policies issued on or after the operative date of section 431:10D-104(e)(8):

(A) The Commissioners 1980 Standard Ordinary Mortality Table;

- (B) At the election of the company for any one or more specified plans of life insurance, the Commissioners 1980 Standard Ordinary Mortality Table with Ten-Year Select Mortality Factors;
- (C) Any ordinary mortality table, adopted after 1980 by the National Association of Insurance Commissioners, that is approved by rules adopted by the commissioner for use in determining the minimum standard of valuation for the policies;
- (2) For industrial life insurance policies issued on the standard basis, excluding any ~~[accident and health]~~ disability income and accidental death benefits in the policies: the 1941 Standard Industrial Mortality Table for the policies issued prior to the operative date of section 431:10D-104(e)(7), and for policies issued on or after the operative date of section 431:10D-104(e)(7), the Commissioners 1961 Standard Industrial Mortality Table or any industrial mortality table adopted after 1980 by the National Association of Insurance Commissioners that is approved by rules adopted by the commissioner for use in determining the minimum standard valuation for the policies;
- (3) For individual annuity and pure endowment contracts, excluding any ~~[accident and health]~~ disability income and accidental death benefits in the policies: the 1937 Standard Annuity Mortality Table, or at the option of the company, the Annuity Mortality Table for 1949, ultimate, or any modification of either of these tables approved by the commissioner;
- (4) For group annuity and pure endowment contracts, excluding any ~~[accident and health]~~ disability income and accidental death benefits in the policies: the Group Annuity Mortality Table for 1951, a modification of the table approved by the commissioner, or at the option of the company, any of the tables or modifications of tables specified for individual annuity and pure endowment contracts;
- (5) For total and permanent disability income benefits in or supplementary to ordinary policies or contracts: for policies or contracts issued after December 31, 1965, the tables of period 2 disablement rates and the 1930 to 1950 termination rates of the 1952 disability study of the Society of Actuaries, with due regard to the type of benefit or any tables of disablement rates and termination rates adopted after 1980 by the National Association of Insurance Commissioners, that are approved by rules adopted by the commissioner for use in determining the minimum standard of valuation for those policies; for policies or contracts issued after December 31, 1960, and prior to January 1, 1966, either the tables or, at the option of the company, the Class (3) Disability Table (1926); and for policies issued prior to January 1, 1961, the Class (3) Disability Table (1926). Any table, for active lives, shall be combined with a mortality table permitted for calculating the reserves for life insurance policies;
- (6) For accidental death benefits in or supplementary to policies issued after December 31, 1965: the 1959 Accidental Death Benefits Table or any accidental death benefits table adopted after 1980 by the National Association of Insurance Commissioners, that is approved by rules adopted by the commissioner for use in determining the minimum standard of valuation for those policies, for policies issued after December 31, 1960, and prior to January 1, 1966, either that table or, at the option of the company, the Inter-company Double

Indemnity Mortality Table. Either table shall be combined with a mortality table for calculating the reserves for life insurance policies; and

- (7) For group life insurance, life insurance issued on the substandard basis, and other special benefits: tables approved by the commissioner.
- (f) Except as provided in subsection (g), the minimum standard of valuation for individual annuity and pure endowment contracts issued on or after the operative date of this subsection and for annuities and pure endowment contracts purchased on or after the operative date under group annuity and pure endowment contracts, shall be the commissioner's reserve valuation methods defined in subsections (h) and (i) and the following tables and interest rates:
  - (1) For individual annuity and pure endowment contracts issued prior to June 1, 1979, excluding any [~~accident and health~~] disability income and accidental death benefits in the contracts: the 1971 Individual Annuity Mortality Table, or any modification of this table approved by the commissioner, and six per cent interest for single premium immediate annuity contracts, and four per cent interest for all other individual annuity and pure endowment contracts;
  - (2) For individual single premium immediate annuity contracts issued on or after June 1, 1979, excluding any [~~accident and health~~] disability income and accidental death benefits in the contracts: the 1971 Individual Annuity Mortality Table or any individual annuity mortality table adopted after 1980 by the National Association of Insurance Commissioners, that is approved by rules adopted by the commissioner for use in determining the minimum standard valuation for these contracts, or any modification of these tables approved by the commissioner, and seven and one-half per cent interest;
  - (3) For individual annuity and pure endowment contracts issued on or after June 1, 1979, other than single premium immediate annuity contracts, excluding any [~~accident and health~~] disability income and accidental death benefits in those contracts: the 1971 Individual Annuity Mortality Table or any individual annuity mortality table adopted after 1980 by the National Association of Insurance Commissioners, that is approved by rules adopted by the commissioner for use in determining the minimum standard of valuation for those contracts, or any modification of these tables approved by the commissioner, and five and one-half per cent interest for single premium deferred annuity and pure endowment contracts and four and one-half per cent interest for all other individual annuity and pure endowment contracts;
  - (4) For annuities and pure endowment contracts purchased prior to June 1, 1979, under group annuity and pure endowment contracts, excluding any [~~accident and health~~] disability income and accidental death benefits purchased under those contracts: the 1971 Group Annuity Mortality Table or any modification of this table approved by the commissioner, and six per cent interest; and
  - (5) For annuities and pure endowment contracts purchased on or after June 1, 1979, under group annuity and pure endowment contracts, excluding any [~~accident and health~~] disability income and accidental death benefits purchased under those contracts: the 1971 Group Annuity Mortality Table[;] or any group annuity mortality table adopted after 1980 by the National Association of Insurance Commissioners, that is approved by rules adopted by the commissioner for use in determining the minimum standard of valuation for the an-

nuities and pure endowment contracts, or any modification of these tables approved by the commissioner, and seven and one-half per cent interest.

After June 1, 1976, any company may file with the commissioner a written notice of its election to comply with this subsection after a specified date before January 1, 1979, which shall be the operative date of this subsection for that company. If a company makes no election, the operative date of this subsection for that company shall be January 1, 1979."

2. By amending subsections (h) through (j) to read:

"(h)(1) Except as otherwise provided in subsections (i), (l), and (n), reserves, according to the commissioner's reserve valuation method, for the life insurance and endowment benefits of policies providing for a uniform amount of insurance and requiring the payment of uniform premiums shall be the excess, if any, of the present value, at the date of valuation, of the future guaranteed benefits provided for by the policies, over the then present value of any future modified net premiums therefor. The modified net premiums for a policy shall be the uniform percentage of the respective contract premiums for the benefits such that the present value, at the date of issue of the policy, of all the modified net premiums shall be equal to the sum of the then present value of the benefits provided for by the policy and the excess of subparagraph (A) over subparagraph (B) as follows:

(A) A net level annual premium equal to the present value, at the date of issue, of the benefits provided for after the first policy year, divided by the present value, at the date of issue, of an annuity of one per annum payable on the first and each subsequent anniversary of the policy on which a premium falls due; provided that the net level annual premium shall not exceed the net level annual premium on the nineteen-year premium whole life plan for insurance of the same amount at an age one year higher than the age of issue of the policy; and

(B) A net one-year term premium for the benefits provided for in the first policy year;

(2) For a life insurance policy issued on or after January 1, 1986, for which the contract premium in the first policy year exceeds that of the second year, and for which no comparable additional benefit is provided in the first year for the excess, and that provides an endowment benefit, a cash surrender value, or a combination thereof, in an amount greater than the excess premium, the reserve, according to the commissioner's reserve valuation method as of any policy anniversary occurring on or before the assumed ending date, defined herein as the first policy anniversary on which the sum of any endowment benefit and any cash surrender value then available is greater than the excess premium, except as otherwise provided in subsection (l), shall be the greater of the reserve as of the policy anniversary calculated pursuant to this paragraph and the reserve as of the policy anniversary calculated as described, but with:

(A) The value defined in paragraph (1) being reduced by fifteen per cent of the amount of the excess first year premium;

(B) All present values of benefits and premiums being determined without reference to premiums or benefits provided for by the policy after the assumed ending date;

(C) The policy being assumed to mature on that date as an endowment; and

(D) The cash surrender value provided on that date being considered as an endowment benefit.

In making the above comparison, the mortality and interest bases stated in subsections (e) and (g) shall be used; and

(3) Reserves according to the commissioner's reserve valuation method shall be calculated by a method consistent with the principles of paragraphs (1) and (2) for:

(A) Life insurance policies providing for a varying amount of insurance or requiring the payment of varying premiums;

(B) Group annuity and pure endowment contracts purchased under a retirement plan or plan of deferred compensation, established or maintained by an employer (including a partnership or sole proprietorship) or by an employee organization, or by both, other than a plan providing individual retirement accounts or individual retirement annuities under section 408 of the Internal Revenue Code, as now or hereafter amended;

(C) ~~[Accident and health or sickness]~~ Disability income and accidental death benefits in all policies and contracts; and

(D) All other benefits, except life insurance and endowment benefits in life insurance policies and benefits provided by all other annuity and pure endowment contracts.

(i) This subsection shall apply to all annuity and pure endowment contracts other than group annuity and pure endowment contracts purchased under a retirement plan or plan of deferred compensation, established or maintained by an employer (including a partnership or sole proprietorship) or by an employee organization, or by both, other than a plan providing individual retirement accounts or individual retirement annuities under section 408 of the Internal Revenue Code, as now or hereafter amended.

Reserves according to the commissioner's annuity reserve method for benefits under annuity or pure endowment contracts, excluding any ~~[accident and health or sickness]~~ disability income and accidental death benefits in the contracts, shall be the greatest of the respective excesses of the present values, at the date of valuation, of the future guaranteed benefits, including guaranteed nonforfeiture benefits, provided for by the contracts at the end of each respective contract year, over the present value, at the date of valuation, of any future valuation considerations derived from future gross considerations, required by the terms of the contract, that become payable prior to the end of the respective contract year. The future guaranteed benefits shall be determined by using the mortality table, if any, and the interest rate, or rates, specified in the contracts for determining guaranteed benefits. The valuation considerations are the portions of the respective gross considerations applied under the terms of the contracts to determine nonforfeiture values.

(j) In no event shall a company's aggregate reserves for all life insurance policies, excluding ~~[accident and health]~~ disability income and accidental death benefits, issued on or after January 1, 1956, be less than the aggregate reserves calculated in accordance with the methods set forth in subsections (h), (i), (l), and (m), and the mortality table or tables and rate or rates of interest used in calculating nonforfeiture benefits for those policies. In no event shall the aggregate reserves for all policies, contracts, and benefits be less than the aggregate reserves determined by the appointed actuary to be necessary to render the opinion required by subsections (c) and (d)."

3. By amending subsection (n) to read:

"(n) For accident and health insurance contracts issued on or after the operative date of the valuation manual, the standard prescribed in the valua-

tion manual is the minimum standard of valuation required under subsection (b)(2). For accident and health ~~or sickness~~ insurance contracts issued on or after January 1, 1956, and prior to the operative date of the valuation manual, the minimum standard of valuation is the standard adopted by the commissioner by rule.”

SECTION 6. Section 431:7-101, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:
  - “(a) The commissioner shall collect, in advance, the following fees:
    - (1) Certificate of authority: ~~Issuance~~..... \$900
      - (A) Application for a certificate of authority..... \$900
      - (B) Issuance of certificate of authority..... \$600
    - (2) Organization of domestic insurers and affiliated corporations:
      - (A) Application ~~[and all other papers required]~~ for ~~[issuance of]~~ a solicitation permit~~[- filing]~~..... \$1,500
      - (B) Issuance of solicitation permit..... \$150
    - (3) Producer’s license:
      - (A) Issuance, regular license..... \$50
      - (B) Issuance, temporary license..... \$50
    - (4) Nonresident producer’s license: Issuance..... \$75
    - (5) Independent adjuster’s license: Issuance..... \$75
    - (6) Public adjuster’s license: Issuance..... \$75
    - (7) Claims adjuster’s limited license: Issuance..... \$75
    - (8) Independent bill reviewer’s license: Issuance..... \$80
    - (9) Limited producer’s license: Issuance..... \$60
    - (10) Managing general agent’s license: Issuance..... \$75
    - (11) Reinsurance intermediary’s license: Issuance..... \$75
    - (12) Surplus lines broker’s license: Issuance..... \$150
    - (13) Service contract provider’s registration: Issuance..... \$75
    - (14) Approved course provider certificate: Issuance..... \$100
    - (15) Approved continuing education course certificate: Issuance..... \$30
    - (16) Vehicle protection product warrantor’s registration: Issuance..... \$75
    - (17) Criminal history record check; fingerprinting: For each criminal history record check and fingerprinting check, a fee to be established by the commissioner.
    - (18) Limited line motor vehicle rental company producer’s license: Issuance..... \$1,000
    - (19) Legal service plan certificate of authority: Issuance before July 1, 2014..... \$1,000  
Issuance on or after July 1, 2014..... \$500
    - (20) Life settlement provider’s license: Issuance before July 1, 2014..... \$150  
Issuance on or after July 1, 2014..... \$75
    - (21) Life settlement broker’s license: Issuance before July 1, 2014..... \$150  
Issuance on or after July 1, 2014..... \$75
    - (22) Examination for license: For each examination, a fee to be established by the commissioner.”



2. By amending subsection (c) to read:

“(c) The commissioner shall notify the holder of a certificate of authority issued under article 3 by written notice at least thirty days prior to the extension date of the certificate of authority, license, or other certificate. If the fee is not paid before or on the extension date, the fee shall be increased by a penalty in the amount of fifty per cent of the fee. ~~[If the fee and the penalty are not paid within the thirty days immediately following the extension date,]~~ The commissioner shall provide notice in writing of the delinquency of extension and the imposition of the authorized penalty. If the fee and the penalty are not paid within thirty days immediately following the date of notice of delinquency, the commissioner may revoke, suspend, or inactivate the certificate of authority, license, or other certificate, and ~~[shall]~~ may not reissue, remove the suspension of, or reactivate the certificate of authority, license, or other certificate until the fee and penalty have been paid.”

SECTION 7. Section 431:10-102, Hawaii Revised Statutes, is amended by amending the definitions of “contract” and “insurer” to read as follows:

““Contract” means any policy of life, ~~[disability,]~~ accident and health or sickness, credit life, credit disability, homeowners ~~[insurance],~~ and motor vehicle insurance covering personally owned or personally leased private passenger motor vehicles prepared for delivery by an insurer.

“Insurer” means any company, corporation, exchange, society, or association organized on the stock, mutual, assessment, or fraternal plan of insurance and authorized under the insurance laws of this State to issue life, disability, credit life, credit disability, homeowners, and motor vehicle insurance, including but not limited to fraternal benefit societies, nonprofit health service corporations, nonprofit hospital service corporations, ~~[and]~~ health maintenance organizations[-], and mutual benefit societies.”

SECTION 8. Section 431K-3, Hawaii Revised Statutes, is amended to read as follows:

“**§431K-3 Risk retention groups not chartered in this State.** Risk retention groups chartered in states other than this State and seeking to do business as a risk retention group in this State shall observe and abide by the laws of this State as follows:

- (1) Before offering insurance in this State, a risk retention group shall submit to the commissioner:
  - (A) A statement identifying the state or states in which the risk retention group is chartered and licensed as a liability insurance company, date of chartering, its principal place of business, and other information, including information on its membership, as the commissioner of this State may require to verify that the risk retention group is qualified as a risk retention group;
  - (B) A copy of its plan of operations or a feasibility study and revisions of this plan or study submitted to its state of domicile; provided that the provision relating to the submission of a plan of operation or a feasibility study shall not apply with respect to any line or classification of liability insurance which was:
    - (i) Defined in the Product Liability Risk Retention Act of 1981, 15 U.S.C. §3901 et seq., before October 27, 1986; and

- (ii) Offered before that date by any risk retention group which had been chartered and operating for not less than three years before that date; and
  - (C) A statement of registration which designates the commissioner as its agent for the purpose of receiving service of legal documents or process;
- (2) Any risk retention group doing business in this State shall submit to the commissioner:
- ~~[(A) A copy of the group's financial statement submitted to the insurance commissioner of its state of domicile, which shall be certified by an independent public accountant and contain a statement of opinion on loss and loss adjustment expense reserves made by a member of the American Academy of Actuaries or a qualified loss reserve specialist under criteria established by the National Association of Insurance Commissioners;~~
  - ~~(B)] (A) A copy of each examination of the risk retention group as certified by the commissioner or public official conducting the examination in its state of domicile;~~
  - ~~[(C)] (B) Upon request by the commissioner, a copy of any audit performed with respect to the risk retention group; and~~
  - ~~[(D)] (C) Information as may be required to verify its continuing qualification as a risk retention group;~~
- (3) Taxation of risk retention groups shall be as follows:
- (A) All premiums paid for coverages within this State to risk retention groups shall be subject to taxation at the same rate and subject to the same interest, fines, and penalties for nonpayment as that applicable to risk retention group captives chartered in this State pursuant to chapter 431, article 19;
  - (B) To the extent producers are utilized, the producers shall report and pay the taxes for the premiums for risks which the producers have placed with or on behalf of a risk retention group not chartered in this State; or
  - (C) To the extent producers are not utilized or fail to pay the tax, each risk retention group shall pay the tax for risks insured within the State; provided that each risk retention group shall report all premiums paid to it for risks insured within the State;
- (4) Any risk retention group shall comply with chapter 431, article 13 regarding deceptive, false, or fraudulent acts or practices, and unfair claims settlement practices; provided that if the commissioner seeks an injunction regarding such conduct, the injunction shall be obtained from a court of competent jurisdiction;
- (5) Any risk retention group shall submit to an examination by the commissioner to determine its financial condition if the commissioner of the jurisdiction in which the group is chartered has not initiated an examination or does not initiate an examination within sixty days after a request by the commissioner of this State. Any examination shall be coordinated to avoid unjustified repetition and conducted in an expeditious manner and in accordance with the National Association of Insurance Commissioners' Examiner Handbook;
- (6) The following notice shall be printed in ten point type on the front page of every application for insurance from a risk retention group,

and on the front page and the declaration page of every policy issued by a risk retention group:

NOTICE

This policy is issued by your risk retention group. Your risk retention group may not be subject to all of the insurance laws and rules of your state. State insurance insolvency guaranty funds are not available for your risk retention group;

- (7) The following acts by a risk retention group are prohibited:
  - (A) The solicitation or sale of insurance by a risk retention group to any person who is not eligible for membership in the group; and
  - (B) The solicitation or sale of insurance by, or operation of, a risk retention group that is in a hazardous financial condition or is financially impaired;
- (8) No risk retention group shall be allowed to do business in this State if an insurance company is directly or indirectly a member or owner of the risk retention group, other than in the case of a risk retention group all of whose members are insurance companies;
- (9) No risk retention group may offer insurance policy coverage prohibited by chapter 431 or declared unlawful by the highest court of this State; and
- (10) A risk retention group not chartered in this State and doing business in this State shall comply with a lawful order issued in a voluntary dissolution proceeding or in a delinquency proceeding commenced by any state insurance commissioner if there has been a finding of financial impairment after an examination under paragraph (5)."

SECTION 9. Section 431K-9, Hawaii Revised Statutes, is amended to read as follows:

**“~~§431K-9~~ Administrative and procedural authority regarding risk retention groups and purchasing groups.** The commissioner is authorized to make use of any of the powers established under chapter 431 to enforce the laws of this State as long as those powers are not specifically preempted by the Product Liability Risk Retention Act of 1981, 15 U.S.C. §3901 et seq., as amended by the Risk Retention Amendments of 1986, P.L. 99-563. This includes, but is not limited to, the commissioner’s administrative authority to investigate, issue subpoenas, conduct depositions and hearings, issue orders, and impose penalties. With regard to any investigation, administrative proceedings, or litigation, the commissioner may rely on the procedural law and rules of this State. The injunctive authority of the commissioner in regard to risk retention groups shall be restricted by the requirement that any injunction be issued by a court of competent jurisdiction. All penalties collected under this section and section 431K-A shall be deposited to the credit of the compliance resolution fund.”

SECTION 10. Section 431K-10, Hawaii Revised Statutes, is amended to read as follows:

**“~~§431K-10~~ Penalties.** A risk retention group which violates any provision of this chapter shall be subject to fines and penalties applicable to licensed insurers generally, including revocation of its license, the right to do business in this State, or both. All penalties collected pursuant to this section and section 431K-B shall be deposited to the credit of the compliance resolution fund.”

SECTION 11. Section 432:1-102, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Article 2, article 2D, parts II and IV of article 3, article 6, part III of article 7, article 9A, article 13, article 14G, and article 15 of chapter 431, sections 431:3-301, 431:3-302, 431:3-303, 431:3-304, ~~and~~ 431:3-305, ~~and 431:10-102~~, and the powers granted by those provisions to the commissioner, shall apply to managed care plans, health maintenance organizations, or medical indemnity or hospital service associations that are owned or controlled by mutual benefit societies so long as the application in any particular case is in compliance with and is not preempted by applicable federal statutes and regulations.”

SECTION 12. Section 432:1-108, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

“(a) The commissioner shall collect, in advance, the following fees:

(1) Certificate of authority:

(A) Application for a certificate of authority: \$900; and

(B) Issuance of certificate of authority: ~~[\$150;] \$600;~~

(2) Organization of domestic mutual benefit societies:

(A) ~~[Filing of application and documents required]~~ Application for ~~[issuance of]~~ a certificate of registration: ~~[\$150;] \$1,500; and~~

(B) Issuance of certificate of registration: \$150; and

(3) For ~~[renewal]~~ all services subsequent to the issuance of a certificate of authority, including extension of the certificate of authority: ~~[\$150] \$600 per year.~~

(b) No certificate of authority shall contain an expiration date, but all certificates of authority shall be extended by the commissioner from time to time in order to continue to be valid. When the commissioner issues or extends a certificate of authority, the commissioner shall determine the date prior to which the certificate of authority shall be extended and shall so notify the insurer in writing. This date is called the extension date. The extension date shall be any date not less than one year and not more than three years after date of issue or extension of the certificate of authority. If the insurer qualifies, its certificate of authority shall be extended. The commissioner shall provide each holder of a certificate of authority at least thirty days' advance written notice of the applicable extension date. If the fee for the ~~[renewal]~~ extension of the certificate of authority is not paid before or on the ~~[renewal]~~ extension date, a penalty shall be imposed in the amount of fifty per cent of the fee. The commissioner shall provide notice in writing of the delinquency of ~~[renewal]~~ extension and the imposition of the authorized penalty. If the fee and the penalty are not paid within thirty days immediately following the date of the notice of delinquency, the commissioner may revoke the certificate of authority and may not reinstate the certificate of authority until the fee and penalty have been paid.”

SECTION 13. Section 432:1-301, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

“(d) The applicant society that satisfies the requirements of this chapter shall be issued a certificate of authority in accordance with part II of article 3 of chapter 431. Societies that are currently authorized to transact business in this State may continue to transact business until August 16, 2013. The authority of societies and all societies hereafter issued a certificate of authority~~;~~ may thereafter be ~~[renewed annually, but in all cases shall terminate on the succeeding August 16-] extended in accordance with section 432:1-108.~~

The applicant society may appeal a denial of its application pursuant to chapter 91.”

SECTION 14. Section 432:2-602, Hawaii Revised Statutes, is amended to read as follows:

**“§432:2-602 Reports.** (a) Every society transacting business in this State shall annually, on or before March 1, unless for cause shown such time has been extended by the commissioner, file with the commissioner a true statement of its financial condition, transactions and affairs for the preceding calendar year [~~and pay a fee of \$7.50 for filing same~~]. The statement shall be in general form and context as approved by the National Association of Insurance Commissioners for fraternal benefit societies and as supplemented by additional information required by the commissioner.

(b) As part of the annual statement required, each society shall, on or before March 1, file with the commissioner a valuation of its certificates in force on December 31 last preceding[;]; provided that the commissioner may, in the commissioner’s discretion for cause shown, extend the time for filing the valuation for not more than two calendar months. The valuation shall be done in accordance with the standards specified in section 432:2-601. The valuation and underlying data shall be certified by a qualified actuary or, at the expense of the society, verified by the actuary of the department of insurance of the state of domicile of the society.

(c) A society neglecting to file the annual statement in the form and within the time provided by this section shall be liable for a penalty of \$100 for each day during which the neglect continues, and, upon notice by the commissioner to that effect, its authority to do business in this State shall cease while the default continues.

~~[(d) All fees and penalties collected pursuant to this section and section 432:2-603 and penalties collected pursuant to section 432:2-703 shall be deposited to the credit of the compliance resolution fund.]”~~

SECTION 15. Section 432:2-603, Hawaii Revised Statutes, is amended to read as follows:

**“§432:2-603 Annual license.** [(a)] Societies that are now authorized to transact business in this State may continue to transact business until [~~May 1 next succeeding July 1, 1988. The authority of societies and all societies hereafter licensed, may thereafter be renewed annually, but in all cases to terminate on the succeeding May 1. However, a license so issued shall continue in full force and effect until the new license is issued or specifically refused. For each license or renewal subject to this section, the society shall pay the commissioner \$7.50. A duly certified copy or duplicate of the license shall be prima facie evidence that the licensee is a fraternal benefit society within the meaning of this article.~~

~~(b) If the license fee is not paid by May 1, the fee shall be increased by a penalty in the amount of fifty per cent of the fee. If the fee and the penalty are not paid within the thirty days immediately following the extension date, the commissioner may revoke the license until the fee and penalty have been paid.] August 16, 2016. The authority of societies and all societies hereafter issued a certificate of authority, may thereafter be extended in accordance with section 432:2- .”~~

SECTION 16. Section 432:2-701, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Service shall only be made upon the commissioner, [[or]] if absent, upon the person in charge of the commissioner’s office. It shall be made in duplicate and shall constitute sufficient service upon the society. When legal process

against a society is served upon the commissioner, the commissioner shall ~~[forthwith]~~ immediately forward one of the duplicate copies by ~~[registered]~~ certified mail, prepaid, directed to the secretary or corresponding officer. No such service shall require a society to file its answer, pleading or defense in less than thirty days from the date of mailing the copy of the service to a society. Legal process shall not be served upon a society except in the manner herein provided. At the time of serving any process upon the commissioner, the plaintiff or complainant in the action shall pay to the commissioner a fee of ~~[\$7.50.]~~ \$25."

SECTION 17. Section 432:2-703, Hawaii Revised Statutes, is amended to read as follows:

**"§432:2-703 Penalties.** (a) Any person who wilfully makes a false or fraudulent statement in or relating to an application for membership or for the purpose of obtaining money from or a benefit in any society, shall upon conviction be fined not less than \$100 nor more than \$500 or imprisoned for not less than thirty days nor more than one year, or both.

(b) Any person who wilfully makes a false or fraudulent statement in any verified report or declaration under oath required or authorized by this article, or of any material fact or thing contained in a sworn statement concerning the death or disability of an insured for the purpose of procuring payment of a benefit named in the certificate, shall be guilty of perjury and shall be subject to the penalties therefor prescribed by law.

(c) Any person who solicits membership for, or in any manner assists in procuring membership in, any society not licensed to do business in this State shall upon conviction be fined not less than \$50 nor more than \$200.

(d) Any person guilty of a wilful violation of, or neglect or refusal to comply with, the provisions of this article for which a penalty is not otherwise prescribed, shall upon conviction, be subject to a fine not exceeding \$200.

(e) All penalties collected pursuant to this section and section 432:2- shall be deposited to the credit of the compliance resolution fund."

SECTION 18. Section 432D-17, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

"(a) The commissioner shall collect, in advance, the following fees:

(1) ~~[For filing an application]~~ Certificate of authority:

(A) Application for a certificate of authority [or amendment thereto, \$600;]; \$900; and

(B) Issuance of certificate of authority: \$600; and

(2) For [renewal] all services subsequent to the issuance of certificate of authority, including extension of the certificate of authority[; \$400]; \$600 per year.

(b) No certificate of authority shall contain an expiration date, but all certificates of authority shall be extended by the commissioner from time to time in order to continue to be valid. When the commissioner issues or extends a certificate of authority, the commissioner shall determine the date prior to which the certificate of authority shall be extended and shall so notify the insurer in writing. This date is called the extension date. The extension date shall be any date not less than one year and not more than three years after date of issue or extension of the certificate of authority. If the insurer qualifies, its certificate of authority shall be extended. The commissioner shall provide each holder of a certificate of authority at least thirty days' advance written notice of the applicable extension date. If the fee for the extension of the certificate of authority is not paid before or on the extension date, a penalty shall be imposed in the

amount of fifty per cent of the fee. The commissioner shall provide notice in writing of the delinquency of extension and the imposition of the authorized penalty. If the fee and the penalty are not paid within thirty days immediately following the ~~[extension]~~ date~~;~~ of the notice of delinquency, the commissioner may revoke the certificate of authority and ~~shall~~ may not reinstate the certificate of authority until the fee and penalty have been paid.”

SECTION 19. Section 432E-36, Hawaii Revised Statutes, is amended by amending subsection (g) to read as follows:

“(g) Except for a request for an expedited external review made pursuant to subsection (b), within three business days after the date of receipt of the request, the commissioner shall notify the health carrier that the enrollee has requested an expedited external review pursuant to this section. Within five business days following the date of receipt of notice, the health carrier shall determine whether:

- (1) The individual is or was an enrollee in the health benefit plan at the time the health care service or treatment was recommended or requested or, in the case of a retrospective review, was an enrollee in the health benefit plan at the time the health care service or treatment was provided;
- (2) The recommended or requested health care service or treatment that is the subject of the adverse action:
  - (A) Would be a covered benefit under the enrollee’s health benefit plan but for the health carrier’s determination that the service or treatment is experimental or investigational for the enrollee’s particular medical condition; and
  - (B) Is not explicitly listed as an excluded benefit under the enrollee’s health benefit plan;
- (3) The enrollee’s treating physician or treating advanced practice registered nurse has certified in writing that:
  - (A) Standard health care services or treatments have not been effective in improving the condition of the enrollee;
  - (B) Standard health care services or treatments are not medically appropriate for the enrollee; or
  - (C) There is no available standard health care service or treatment covered by the health carrier that is more beneficial than the health care service or treatment that is the subject of the adverse action;
- (4) The enrollee’s treating physician or treating advanced practice registered nurse:
  - (A) Has recommended a health care service or treatment that the physician or advanced practice registered nurse certifies, in writing, is likely to be more beneficial to the enrollee, in the physician’s or advanced practice registered nurse’s opinion, than any available standard health care services or treatments; or
  - (B) Who is a licensed, board certified or board eligible physician qualified to practice in the area of medicine appropriate to treat the enrollee’s condition, or who is an advanced practice registered nurse qualified to treat the enrollee’s condition, has certified in writing that scientifically valid studies using accepted protocols demonstrate that the health care service or treatment that is the subject of the adverse action is likely to

- be more beneficial to the enrollee than any available standard health care services or treatments;
- (5) The enrollee has exhausted the health carrier's internal appeals process or the enrollee is not required to exhaust the health carrier's internal appeals process pursuant to section 432E-33(b); and
  - (6) The enrollee has provided all the information and forms required by the commissioner that are necessary to process an external review, including the release form and disclosure of conflict of interest information as provided under section ~~[432E-5.]~~ 432E-33(a)."

SECTION 20. Section 432G-12, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

- "(a) The commissioner shall collect, in advance, the following fees:
- (1) ~~[For filing an application]~~ Certificate of authority:
    - (A) Application for a certificate of authority ~~[or amendment thereto, \$600;]; \$900; and~~
    - (B) Issuance of certificate of authority: \$600; and
  - (2) For all services subsequent to the issuance of a certificate of authority, including extension of the certificate of authority ~~[, \$400;]; \$600 per year."~~

SECTION 21. Section 432G-12, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) No certificate of authority shall contain an expiration date, but all certificates of authority shall be extended by the commissioner from time to time in order to continue to be valid. When the commissioner issues or extends a certificate of authority, the commissioner shall determine the date prior to which the certificate of authority ~~[is next required to]~~ shall be extended ~~[, the extension date,]~~ and shall so notify the insurer ~~[holding the certificate of authority]~~ in writing. This date is called the extension date. The extension date shall be any date not less than one year and not more than three years after date of issue or extension of the certificate of authority. If the insurer qualifies, its certificate of authority shall be extended. The commissioner shall provide each holder of a certificate of authority at least thirty days' advance written notice of the applicable extension date. If the fee for the extension of the certificate of authority is not paid before or on the extension date, a penalty shall be imposed in the amount of fifty per cent of the fee. The commissioner shall provide notice in writing of the delinquency of extension and the imposition of the authorized penalty. If the fee and the penalty are not paid within thirty days immediately following the [extension] date[,] of the notice of delinquency, the commissioner may [suspend] revoke the certificate of authority and [shall] may not reinstate the certificate of authority until the fee and penalty have been paid."

## PART II

SECTION 22. Chapter 431, Hawaii Revised Statutes, is amended by adding a new section to article 14G to be appropriately designated and to read as follows:

"**§431:14G- Rerating.** No person, business, or entity may change or rerate any rate approved by the commissioner in any subsequent transfer, sale, resale, or pass through of health insurance issued by a managed care plan."



SECTION 23. Chapter 432, Hawaii Revised Statutes, is amended by adding a new section to article 1 to be appropriately designated and to read as follows:

**“§432:1- Suspension, revocation, or denial of certificate of authority.**  
 (a) Any certificate of authority issued under this chapter may be suspended or revoked and any application for a certificate of authority may be denied if the commissioner finds that any of the conditions listed below exists:

- (1) The mutual benefit society is operating significantly in contravention of its basic organizational document or in a manner contrary to that described in any other information submitted under section 432:1-301, unless amendments to the submissions have been filed with and approved by the commissioner;
  - (2) The mutual benefit society is no longer financially responsible and may reasonably be expected to be unable to meet its obligations to its members and beneficiaries or prospective members;
  - (3) The mutual benefit society has failed to correct, within the time prescribed by subsection (c), any deficiency occurring due to the mutual benefit society's prescribed minimum net worth being impaired;
  - (4) The mutual benefit society, or any person on its behalf, has advertised or merchandised its services in an untrue, misrepresentative, misleading, deceptive, or unfair manner;
  - (5) The continued operation of the mutual benefit society would be hazardous to its members; or
  - (6) The mutual benefit society has otherwise failed to substantially comply with this chapter.
- (b) In addition to, or in lieu of, suspension or revocation of a certificate of authority pursuant to this section, the commissioner may levy an administrative fine upon the mutual benefit society in an amount not less than \$500 and not more than \$50,000 pursuant to section 431:3-221.

(c) The following shall pertain when insufficient net worth is maintained:

(1) Whenever the commissioner finds that the net worth maintained by any mutual benefit society subject to this chapter is less than the minimum net worth required, the commissioner shall give written notice to the mutual benefit society of the amount of the deficiency and require the mutual benefit society to:

(A) File with the commissioner a plan for correction of the deficiency acceptable to the commissioner; and

(B) Correct the deficiency within a reasonable time, not to exceed sixty days, unless an extension of time, not to exceed sixty additional days, is granted by the commissioner. The deficiency shall be deemed an impairment, and failure to correct the impairment in the prescribed time shall be grounds for suspension or revocation of the certificate of authority or for placing the mutual benefit society in conservation, rehabilitation, or liquidation; and

(2) Unless allowed by the commissioner, no mutual benefit society or person acting on its behalf, directly or indirectly, may renew, issue, or deliver any certificate, agreement, or contract of coverage in this State for which a premium is charged or collected, when the mutual benefit society writing the coverage is impaired and the fact of the impairment is known to the mutual benefit society or to the person; provided that the existence of an impairment shall not prevent the issuance or renewal of a certificate, agreement, or contract when the

member exercises an option granted under the plan to obtain a new, renewed, or converted coverage.

(d) A certificate of authority shall be suspended or revoked, an application for a certificate of authority denied, or an administrative fine imposed, only after compliance with the requirements of this section, including the following:

(1) Suspension or revocation of a certificate of authority, denial of an application, or imposition of an administrative fine pursuant to this section shall be by written order and shall be sent to the mutual benefit society or applicant by certified or registered mail. The written order shall state the grounds, charges, or conduct on which suspension, revocation, denial, or administrative penalty is based. The mutual benefit society or applicant, in writing, may request a hearing pursuant to section 431:2-308; and

(2) If the mutual benefit society or applicant requests a hearing pursuant to this section, the commissioner shall issue a written notice of hearing and send it to the mutual benefit society or applicant by certified or registered mail and to the director of labor and industrial relations stating:

(A) A specific time for the hearing, which may not be less than twenty nor more than thirty days after mailing of the notice of hearing; and

(B) A specific place for the hearing.

(e) When the certificate of authority of a mutual benefit society is suspended, the mutual benefit society shall not, during the period of the suspension, enroll any additional members except newborn children or other newly acquired dependents of existing members and shall not engage in any advertising or solicitation whatsoever.

(f) When the certificate of authority of a mutual benefit society is revoked, the society, immediately following the effective date of the order of revocation, shall proceed to wind up its affairs and shall conduct no further business except as may be essential to the orderly conclusion of the affairs of the society. The mutual benefit society shall engage in no further advertising or solicitation whatsoever. The commissioner, by written order, may permit further operation of the society as the commissioner may find to be in the best interest of the members, to the end that members will be afforded the greatest practical opportunity to obtain continuing coverage and benefits."

SECTION 24. Chapter 431M, Hawaii Revised Statutes, is amended by amending its title to read as follows:

**"MENTAL HEALTH AND ALCOHOL AND ~~[DRUG ABUSE]~~  
SUBSTANCE USE DISORDER TREATMENT INSURANCE BENEFITS"**

SECTION 25. Section 431M-1, Hawaii Revised Statutes, is amended as follows:

1. By amending the definition of "partial hospitalization services" to read:

""Partial hospitalization [~~services~~]" means treatment services, including in-hospital treatment services or benefits, provided by a hospital or mental health outpatient facility to patients who, because of their conditions, require more than periodic hourly service. Partial hospitalization [~~services~~] shall be prescribed by a physician or psychologist, and may be prescribed by a licensed clinical social worker, marriage and family therapist, licensed mental health counselor, or advanced practice registered nurse in consultation with a physician or psychologist.

Partial hospitalization [~~services require~~] requires less than twenty-four hours of care and a minimum of three hours in any one day.”

2. By repealing the definition of “serious mental illness”.

[~~““Serious mental illness” means a mental disorder consisting of at least one of the following: schizophrenia, schizo-affective disorder, bipolar types I and II, obsessive compulsive disorder, dissociative disorder, delusional disorder, and major depression, as defined in the most recent version of the Diagnostic and Statistical Manual of the American Psychiatric Association and which is of sufficient severity to result in substantial interference with the activities of daily living.”~~]

SECTION 26. Section 432E-1, Hawaii Revised Statutes, is amended by amending the definition of “emergency services” to read as follows:

““Emergency services” means services provided to an enrollee when the enrollee has symptoms of sufficient severity, including severe pain, such that a layperson could reasonably expect, in the absence of medical treatment, to result in placing the enrollee’s health or condition in serious jeopardy, serious impairment of bodily functions, serious dysfunction of any bodily organ or part, or death.”

**PART III**

SECTION 27. In codifying the new sections added by section 1 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 28. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

SECTION 29. This Act shall take effect upon its approval.

(Approved May 28, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 64**

S.B. NO. 1262

A Bill for an Act Relating to the Secure and Fair Enforcement for Mortgage Licensing Act.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that Act 84, Session Laws of Hawaii 2010, established the mortgage loan recovery fund to bring the State into compliance with the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008. The mortgage loan recovery fund, consisting of fees collected from residential mortgage loan origination licensees, was designed to protect consumers by making it easier to recover losses caused by individuals or companies that violate the law governing fair mortgage practices. Initially, the goal was for the fund to collect and hold in reserve \$750,000. However, according to the most recent report to the legislature in 2014, there is more than \$1,100,000 in the fund. With this high fund balance, the commissioner of financial institutions has initi-

ated proposed rules to adjust the mortgage loan recovery fund fees. However, due to the lengthy and uncertain time it may take for the rules to be adopted, licensees continue to have to pay the requisite fees that build the fund balance over and beyond \$750,000, and the fund balance will probably be more than \$1,100,000 at the end of the year.

The purpose of this Act is to permit the commissioner to adjust collections of the mortgage loan recovery fund without having to go through the rule-making process so that the fund balance can remain in line with the legislative intent in establishing the fund.

SECTION 2. Section 454F-41, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

“(d) When the mortgage loan recovery fund attains a funding level of \$750,000, the commissioner may~~[, by rule adopted pursuant to chapter 91,]~~ make a finding to adjust the fees generated by renewals or may determine that payments made by renewing licensees shall cease. If the funding level falls below \$250,000 after the first five years of the establishment of the fund, the commissioner may adjust the fees to a reasonable level for the purpose of attaining a funding level of \$750,000.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved May 28, 2015.)

**ACT 65**

H.B. NO. 158

A Bill for an Act Making Appropriations to the Department of the Prosecuting Attorney Of The County of Maui.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. There is appropriated out of the general revenues of the State of Hawaii the sum of \$150,000 or so much thereof as may be necessary for fiscal year 2015-2016 for a grant-in-aid to the department of the prosecuting attorney of the county of Maui for the prosecution of cases in drug court and mental health courts, including the hiring of necessary staff.

SECTION 2. The sum appropriated shall be expended by the department of the prosecuting attorney of the county of Maui for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2015.

(Approved May 29, 2015.)

**ACT 66**

H.B. NO. 126

A Bill for an Act Making Appropriations for Public Employment Cost Items.

*Be It Enacted by the Legislature of the State of Hawaii:*

**PART I**

SECTION 1. There is appropriated from the general revenues of the State of Hawaii to the legislative agencies indicated below, the following sums or

**ACT 67**

so much thereof as may be necessary for fiscal biennium 2015-2017, to fund Hawaii employer-union health benefits trust fund costs and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for legislative officers and employees excluded from collective bargaining:

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
State ethics commission	\$ 29,448	\$ 60,000
Office of the auditor	\$ 96,894	\$ 197,664
Office of the legislative reference bureau	\$ 97,313	\$ 198,417
Office of the ombudsman	\$ 46,271	\$ 94,393
Senate	\$ 236,760	\$ 491,604
House of Representatives	\$ 302,481	\$ 617,061

SECTION 2. Funds appropriated by this part shall be allotted to the heads of the respective legislative agencies for expenditure for the purposes of this part.

**PART II**

SECTION 3. Cost items and cost adjustments provided in this Act for any legislative officer or employee whose compensation is paid, in whole or in part, from federal, special, or other funds shall be paid wholly or proportionately, as the case may be, from the respective funds.

SECTION 4. Funds appropriated by this Act that are not expended or encumbered by the end of the fiscal year for which the appropriation or authorization is made shall lapse as of those dates.

SECTION 5. This Act shall take effect on July 1, 2015.

(Approved May 29, 2015.)

**ACT 67**

S.B. NO. 104

A Bill for an Act Relating to Budgeting.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to address state budgeting.

More specifically, this Act requires the department of budget and finance to work with one state department on a pilot project to develop efficiency measures for possible inclusion in various documents that are required to be prepared under the executive budget act, chapter 37, part IV, Hawaii Revised Statutes.

SECTION 2. For the purposes of this Act:

“Costs” means the sum of research and development costs and operating costs as those terms are defined under section 37-62, Hawaii Revised Statutes.

“Budget document” means the multi-year program and financial plan, executive budget, or supplemental budget.

“Efficiency measure” means the costs within the lowest level of a program to produce a single unit of an activity or effectiveness measure of that level of the program.

“Program” means the same as defined in section 37-62, Hawaii Revised Statutes.

“State department” means any of the principal departments listed under section 26-4, Hawaii Revised Statutes.

SECTION 3. The director of finance shall select one state department to participate in a pilot project for the establishment of and data collection for efficiency measures intended to be included with the budget documents submitted to the legislature after the fiscal biennium 2015-2017. To the extent possible, the director of finance shall select a state department in which the executive head is willing to participate in the pilot project.

The director of finance may transfer a portion of the appropriation made under this Act to the selected state department for its participation in the pilot project.

SECTION 4. (a) No later than a deadline to be established by the director of finance, the selected state department shall submit at least three proposed efficiency measures to the director.

(b) After reviewing the proposed efficiency measures and consulting with the selected state department, the director of finance shall approve the efficiency measures to be used by the selected state department. The director of finance may approve efficiency measures that differ from those proposed by the selected state department.

SECTION 5. No later than twenty days prior to the convening of the regular session of 2017, the director of finance shall submit the following to the legislature:

- (1) The actual level of the efficiency measures attained in the fiscal year 2015-2016, the estimated level of the efficiency measures for the fiscal year 2016-2017, and the estimated level for each of the next six fiscal years. The percentage change from fiscal year to fiscal year of the efficiency measures also shall be reported;
- (2) A narrative and comments on the change in efficiency measures from fiscal year to fiscal year; and
- (3) Any intended action to improve efficiency.

The information shall be submitted concurrently with, but need not be included in, the budget documents for the executive budget for the fiscal biennium 2017-2019.

SECTION 6. The director of finance, after consulting with the selected state department, shall submit a report to the legislature on the findings and recommendations resulting from the pilot project. The report shall be submitted no later than twenty days prior to the convening of the regular session of 2017 and shall include a recommendation on whether to require the inclusion of efficiency measures for every state executive department, commencing with the budget documents for the fiscal biennium 2019-2021. The report also shall include data on the cost incurred by the department of budget and finance and the selected state department for the performance of duties of the pilot project.

SECTION 7. No later than March 1, 2017, the auditor shall submit a report to the legislature evaluating the pilot project, including findings and recommendations on the pilot project.

**ACT 68**

SECTION 8. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000 or so much thereof as may be necessary for fiscal year 2015-2016 for the efficiency measures pilot project required by this Act.

The sum appropriated shall be expended by the department of budget and finance for the purposes of this Act; provided that any unexpended or unencumbered moneys appropriated pursuant to this section shall lapse on June 30, 2017.

SECTION 9. This Act shall take effect on July 1, 2015.

(Approved May 29, 2015.)

**ACT 68**

H.B. NO. 242

A Bill for an Act Relating to Seawater Air Conditioning.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Act 165, Session Laws of Hawaii 2007, as amended by section 1 of Act 155, Session Laws of Hawaii 2012, is amended by amending sections 4 and 5 to read as follows:

“SECTION 4. The department of budget and finance, from time to time, including times subsequent to [~~June 30, 2015,~~] June 27, 2020, may issue special purpose revenue bonds in whatever principal amounts the department determines to be necessary to refund the special purpose revenue bonds authorized in section 2 and to refund special purpose revenue bonds authorized in this section, regardless of whether the outstanding special purpose revenue bonds or refunding special purpose revenue bonds have matured or are the subject of redemption.

In making this determination, the department shall comply with federal law relating to the exemption from federal income taxation of the interest on bonds of the nature authorized by this section.

SECTION 5. The authorization to issue special purpose revenue bonds under this Act shall lapse on [~~June 30, 2015,~~] June 27, 2020.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect on June 28, 2015.

(Approved May 29, 2015.)

**ACT 69**

H.B. NO. 582

A Bill for an Act Relating to the Nursing Facility Sustainability Program.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Act 156, Session Laws of Hawaii 2012, as amended by section 2 of Act 142, Session Laws of Hawaii 2013, as amended by section 1 of

Act 124, Session Laws of Hawaii 2014, as applicable, is amended by amending section 2 as follows:

1. By amending subsection (c) of § -4, Hawaii Revised Statutes, to read:

“(c) Revenue from the nursing facility sustainability fee shall be used exclusively as follows:

- (1) No less than eighty-eight per cent of the revenue from the nursing facility sustainability fee shall be used to match federal medicaid funds, with the combined total to be used to enhance capitated rates to medicaid managed care health plans for the purpose of increasing medicaid payments to private nursing facilities;
- (2) Twelve per cent of the revenue from the nursing facility sustainability fee may be used by the department for other departmental purposes; and
- (3) All moneys remaining in the special fund on December 30, [2015;] 2016, shall be distributed to nursing facilities within thirty days in the same proportions as received from the nursing facilities.”

2. By amending subsection (c) of § -5, Hawaii Revised Statutes, to read:

“(c) The nursing facility sustainability fee shall not exceed four per cent of net patient service revenue and shall be calculated and paid on a per resident day basis[-], unless the facility qualifies for an exemption identified in subsection (d)(1). The per resident daily fee shall be [~~the same amount~~] \$13.46 for each affected facility, except [~~as prescribed~~] for facilities described in subsection (d)(2) [-], which instead shall pay a per resident daily fee of \$5.85.”

3. By amending § -10, Hawaii Revised Statutes, to read:

“§ -10 **Enhanced rates to medicaid managed care health plans.** In accordance with title 42 Code of Federal Regulations section 438, the department shall use revenues from the nursing facility sustainability fee and federal matching funds to enhance the capitated rates paid to medicaid managed care health plans for the state fiscal year [2014-2015] 2015-2016, consistent with the following objectives:

- (1) The rate enhancement shall be used exclusively for increasing reimbursements to private nursing facilities to support the availability of services and to ensure access to care to the medicaid managed care health plan enrollees;
- (2) The rate enhancement shall be made part of the monthly capitated rates by the department to medicaid managed care health plans, which shall provide documentation to the department and the nursing facility trade associations located in Hawaii certifying that the revenues received under paragraph (1) are used in accordance with this section;
- (3) The rate enhancement shall be actuarially sound and approved by the federal government for federal fund participation; and
- (4) The department shall modify the fee-for-service reimbursement rates of the nursing facilities to recognize the medicaid portion of the nursing facility sustainability fee as an additional cost of serving medicaid patients, and to provide a uniform percentage increase in pre-existing facility-specific rates.”

4. By amending subsection (a) of § -13, Hawaii Revised Statutes, to read:

“(a) Collection of the nursing facility sustainability fee under section -5 shall be discontinued if:



- (1) The waiver in section -7 or the enhanced capitation rates in section -10 have not been approved by the Centers for Medicare and Medicaid Services;
- (2) The department reduces funding for nursing facility services below the state appropriation in effect on June 30, [2014;] 2015;
- (3) The department or any other state agency uses the money in the special fund for any use other than the uses permitted pursuant to this chapter; or
- (4) Federal financial participation to match the nursing facility sustainability fee becomes unavailable under federal law. In such case, the department shall terminate the collection of the fee beginning on the effective date of the federal statutory, regulatory, or interpretive change.”

SECTION 2. Act 156, Session Laws of Hawaii 2012, as amended by section 3 of Act 142, Session Laws of Hawaii 2013, as amended by section 2 of Act 124, Session Laws of Hawaii 2014, is amended by amending section 5 to read as follows:

“SECTION 5. This Act shall take effect on July 1, 2012, and shall be repealed on June 30, [2015;] 2016; provided that section -4, Hawaii Revised Statutes, established by section 2 of this Act, and the amendment made to section 36-30(a), Hawaii Revised Statutes, in section 3 of this Act, shall be repealed on December 31, [2015;] 2016; and provided further that the amendment made to section 36-30(a), Hawaii Revised Statutes, in section 3 of this Act shall not be repealed when section 36-30, Hawaii Revised Statutes, is reenacted on June 30, 2015, pursuant to section 34 of Act 79, Session Laws of Hawaii 2009.”

SECTION 3. Act 124, Session Laws of Hawaii 2014, is amended by amending section 7 to read as follows:

“SECTION 7. This Act shall take effect on June 29, 2014; provided that:

- (1) Section 5 shall take effect on July 1, 2014;
- (2) The amendments made to sections 36-27(a) and 36-30(a), Hawaii Revised Statutes, in sections 3 and 4 of this Act shall not be repealed when sections 36-27 and 36-30, Hawaii Revised Statutes, are reenacted on June 30, 2015, pursuant to section 34 of Act 79, Session Laws of Hawaii 2009; and
- (3) The amendments made [in] to sections 36-27(a) and 36-30(a), Hawaii Revised Statutes, in sections 3 and 4 of this Act shall be repealed on December 31, [2015, and sections 36-27 and 36-30, Hawaii Revised Statutes, shall be reenacted in the form provided in section 34 of Act 79, Session Laws of Hawaii 2009.] 2016.”

SECTION 4. There is appropriated out of the nursing facility sustainability program special fund the sum of \$14,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 for uses consistent with the nursing facility sustainability program special fund.

The sum appropriated shall be expended by the department of human services for the purposes of this Act.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 2015; provided that sections 1, 2, and 3 of this Act shall take effect on June 29, 2015.

(Approved May 29, 2015.)

## ACT 70

H.B. NO. 581

A Bill for an Act Relating to the Hospital Sustainability Program.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Act 217, Session Laws of Hawaii 2012, as amended by section 1 of Act 141, Session Laws of Hawaii 2013, as amended by section 1 of Act 123, Session Laws of Hawaii 2014, as applicable, is amended by amending section 2 to read as follows:

1. By amending the definitions of “net patient service revenue” and “private hospital” in section -3, Hawaii Revised Statutes, to read:

““Net patient service revenue” means gross revenue from inpatient and outpatient care provided to hospital patients converted to net patient revenue utilizing data from Worksheets G-2 and G-3 of each hospital’s medicare cost report for fiscal year [~~2011-2012.~~] 2012-2013. If the hospital is new or did not file a fiscal year medicare cost report, the department shall obtain the hospital’s net patient service revenue from the most recent period available.

“Private hospital” means those non-public hospitals named in attachment A of the medicaid section 1115 demonstration waiver that were in operation in calendar year [~~2013~~] 2014 and are currently operating.”

2. By amending subsection (c) of section -4, Hawaii Revised Statutes, to read:

“(c) Moneys in the hospital sustainability program special fund shall be used exclusively as follows:

- (1) To make direct supplemental uncompensated care and upper payment limit payments to private hospitals pursuant to the terms of the section 1115 waiver. At least eighty-eight per cent of the moneys in the special fund shall be used for this purpose, provided that in no instance shall a hospital receive [~~uncompensated care costs~~] supplemental payments that exceed its allowable uncompensated care costs;
- (2) Twelve per cent of the moneys in the special fund may be used by the department for other departmental purposes; and
- (3) Any money remaining in the special fund six months after the repeal of this chapter, shall be distributed to hospitals within thirty days in the same proportions as received from the hospitals.”

3. By amending subsections (c) and (d) of section -5, Hawaii Revised Statutes, to read:

“(c) The hospital sustainability fee for inpatient care services may differ from the fee for outpatient care services but the fees shall not in the aggregate exceed three per cent of net patient service revenue as derived from the hospital’s medicare cost report ending during state fiscal year [~~2011-2012.~~] 2012-2013. The inpatient hospital sustainability fee shall be [~~2.475~~] 1.892 per cent of net inpatient hospital service revenue. The outpatient hospital sustainability fee shall be three per cent of net outpatient hospital service revenue. Each fee shall be the same percentage for all affected hospitals, subject to subsection (d).

(d) The department shall exempt children’s hospitals, federal hospitals, public hospitals, rehabilitation hospitals, and psychiatric hospitals, and any hos-

pital that was not in private operation during any part of calendar year ~~[2013]~~ 2014 from the hospital sustainability fees on inpatient services. In addition, the department shall exempt hospitals with net outpatient revenue of less than ~~[\$45,000,000]~~ \$50,000,000 per year (based on fiscal year ~~[2011-2012]~~ 2012-2013 reports)~~],~~ and public hospitals, and any hospital that was not in private operation during any part of calendar year ~~[2013]~~ 2014 from the hospital sustainability fee on outpatient care services.”

4. By amending section -8, Hawaii Revised Statutes, to read:

“§ -8 Multifacility locations. If an entity conducts, operates, or maintains more than one hospital licensed by the department of health, the entity shall pay the hospital sustainability ~~[fee]~~ fees for each hospital separately~~[-]~~, unless it operates and files more than one hospital under a single medicare cost report.”

5. By amending section -10, Hawaii Revised Statutes, to read:

“§ -10 Private hospital payments. (a) The department shall use moneys solely from the hospital sustainability program special fund to make direct payments to private hospitals ~~[in an amount equal to \$85,000,000], pursuant to the terms of the section 1115 waiver, in an amount equal to \$88,000,000~~ to cover the uncompensated care costs incurred by private hospitals for serving medicaid and uninsured individuals during state fiscal year ~~[2014-2015-]~~ 2015-2016.

(b) The department shall use moneys solely from the hospital sustainability program special fund to make direct upper payment limit payments in an amount equal to \$3,975,442, pursuant to the terms of the section 1115 waiver, to level II trauma centers verified by the American College of Surgeons and designated by the department of health, including recognized specialty children's hospitals that do not pay both the inpatient and outpatient assessments.

~~[(b)]~~ (c) The department shall make quarterly payments to private hospitals to reimburse their uncompensated care costs within twenty days after the end of each calendar quarter; provided that payments shall not be due until at least fifteen days after receipt of the fees required by section -6. If the department fails to pay the full amount when due, there shall be added to the payment a penalty equal to prime plus two per cent of the payment that was not paid when due.

~~[(e)]~~ (d) Each eligible hospital's quarterly payment shall be equal to one-quarter of its prorated share of uncompensated care costs for the fiscal year in which payment is made, as derived from the uncompensated care costs reported by all private hospitals for fiscal year ~~[2011-2012-]~~ 2012-2013; provided that:

- (1) Outpatient uncompensated care costs shall be reimbursed at one hundred per cent of reported uncompensated care costs; and
- (2) Inpatient uncompensated care costs shall be reimbursed on a prorated share based on the remaining uncompensated care amounts available through the section 1115 waiver.

(e) Each eligible hospital's quarterly payment from the hospital sustainability program special fund shall be equal to one-quarter of its share of upper payment limit payments for the fiscal year in which payment is made. Eligible hospitals shall receive their payments based on their medicaid utilization to ensure access to care for that beneficiary population.

~~[(e)]~~ (f) If federal approval pursuant to section -7 is not received until after the end of any quarter for which the hospital sustainability fee is applicable, the department shall make the initial quarterly payments within five days after receipt of the hospital sustainability fee for the respective quarter.

~~[(e)] (g)~~ To the extent the hospital sustainability program is not effective for the entire year, the hospital sustainability fee, the state medicaid expenses and administrative fee, and the corresponding uncompensated care payments shall be based on the proportion of the fiscal year the program is in effect.”

SECTION 2. Act 217, Session Laws of Hawaii 2012, as amended by section 2 of Act 141, Session Laws of Hawaii 2013, and as amended by section 2 of Act 123, Session Laws of Hawaii 2014, is amended by amending section 5 to read as follows:

“SECTION 5. This Act shall take effect on July 1, 2012, and shall be repealed on June 30, ~~[2015;] 2016~~; provided that section ~~4~~, Hawaii Revised Statutes, in section 2 of this Act, and the amendment to section 36-30(a), Hawaii Revised Statutes, in section 3 of this Act, shall be repealed on December 31, [2015;] 2016; provided further that the amendment to section 36-30(a), Hawaii Revised Statutes, in section 3 of this Act, shall not be repealed when section 36-30, Hawaii Revised Statutes, is reenacted on June 30, 2015, pursuant to section 34(3) of Act 79, Session Laws of Hawaii 2009.”

SECTION 3. Act 123, Session Laws of Hawaii 2014, is amended by amending section 7 to read as follows:

“SECTION 7. This Act shall take effect on June 29, 2014; provided that ~~[section]:~~

- ~~(1)~~ Section 5 shall take effect on July 1, 2014~~[-];~~
- ~~(2)~~ The amendments made to sections 36-27(a) and 36-30(a), Hawaii Revised Statutes, in sections 3 and 4 of this Act shall not be repealed when sections 36-27 and 36-30, Hawaii Revised Statutes, are reenacted on June 30, 2015, pursuant to section 34 of Act 79, Session Laws of Hawaii 2009; and
- ~~(3)~~ The amendments made to sections 36-27(a) and 36-30(a), Hawaii Revised Statutes, in sections 3 and 4 of this Act shall be repealed on December 31, 2016.”

SECTION 4. Section 36-27, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Except as provided in this section, and notwithstanding any other law to the contrary, from time to time, the director of finance, for the purpose of defraying the prorated estimate of central service expenses of government in relation to all special funds, except the:

- (1) Special out-of-school time instructional program fund under section 302A-1310;
- (2) School cafeteria special funds of the department of education;
- (3) Special funds of the University of Hawaii;
- (4) State educational facilities improvement special fund;
- (5) Convention center enterprise special fund under section 201B-8;
- (6) Special funds established by section 206E-6;
- (7) Housing loan program revenue bond special fund;
- (8) Housing project bond special fund;
- (9) Aloha Tower fund created by section 206J-17;
- (10) Funds of the employees’ retirement system created by section 88-109;
- (11) Hawaii hurricane relief fund established under chapter 431P;

- (12) Hawaii health systems corporation special funds and the subaccounts of its regional system boards;
- (13) Tourism special fund established under section 201B-11;
- (14) Universal service fund established under section 269-42;
- (15) Emergency and budget reserve fund under section 328L-3;
- (16) Public schools special fees and charges fund under section 302A-1130;
- (17) Sport fish special fund under section 187A-9.5;
- (18) Glass advance disposal fee established by section 342G-82;
- (19) Center for nursing special fund under section 304A-2163;
- (20) Passenger facility charge special fund established by section 261-5.5;
- (21) Court interpreting services revolving fund under section 607-1.5;
- (22) Hawaii cancer research special fund;
- (23) Community health centers special fund;
- (24) Emergency medical services special fund;
- (25) Rental motor vehicle customer facility charge special fund established under section 261-5.6;
- (26) Shared services technology special fund under section 27-43;
- (27) Automated victim information and notification system special fund established under section 353-136;
- (28) Deposit beverage container deposit special fund under section 342G-104;
- (29) Hospital sustainability program special fund under Act 217, Session Laws of Hawaii 2012, as amended [~~by Act 141, Session Laws of Hawaii 2013~~];
- (30)  Nursing facility sustainability program special fund under Act 156, Session Laws of Hawaii 2012;
- (31) Hawaii 3R's school improvement fund  under section 302A-1502.4; and
- (32)  After-school plus program revolving fund under section 302A-1149.5,

shall deduct five per cent of all receipts of all special funds, which deduction shall be transferred to the general fund of the State and become general realizations of the State. All officers of the State and other persons having power to allocate or disburse any special funds shall cooperate with the director in effecting these transfers. To determine the proper revenue base upon which the central service assessment is to be calculated, the director shall adopt rules pursuant to chapter 91 for the purpose of suspending or limiting the application of the central service assessment of any fund. No later than twenty days prior to the convening of each regular session of the legislature, the director shall report all central service assessments made during the preceding fiscal year.”

SECTION 5. Section 36-30, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

- “(a) Each special fund, except the:
- (1) Transportation use special fund established by section 261D-1;
  - (2) Special out-of-school time instructional program fund under section 302A-1310;
  - (3) School cafeteria special funds of the department of education;
  - (4) Special funds of the University of Hawaii;
  - (5) State educational facilities improvement special fund;
  - (6) Special funds established by section 206E-6;
  - (7) Aloha Tower fund created by section 206J-17;

- (8) Funds of the employees' retirement system created by section 88-109;
- (9) Hawaii hurricane relief fund established under section 431P-2;
- (10) Convention center enterprise special fund established under section 201B-8;
- (11) Hawaii health systems corporation special funds and the subaccounts of its regional system boards;
- (12) Tourism special fund established under section 201B-11;
- (13) Universal service fund established under section 269-42;
- (14) Emergency and budget reserve fund under section 328L-3;
- (15) Public schools special fees and charges fund under section 302A-1130;
- (16) Sport fish special fund under section 187A-9.5;
- (17) Center for nursing special fund under section 304A-2163;
- (18) Passenger facility charge special fund established by section 261-5.5;
- (19) Court interpreting services revolving fund under section 607-1.5;
- (20) Hawaii cancer research special fund;
- (21) Community health centers special fund;
- (22) Emergency medical services special fund;
- (23) Rental motor vehicle customer facility charge special fund established under section 261-5.6;
- (24) Shared services technology special fund under section 27-43;
- (25) Nursing facility sustainability program special fund established pursuant to Act 156, Session Laws of Hawaii 2012;
- (26) Automated victim information and notification system special fund established under section 353-136; and
- (27) Hospital sustainability program special fund under Act 217, Session Laws of Hawaii 2012, as amended [~~by Act 141, Session Laws of Hawaii 2013~~],

shall be responsible for its pro rata share of the administrative expenses incurred by the department responsible for the operations supported by the special fund concerned."

SECTION 6. There is appropriated out of the hospital sustainability program special fund the sum of \$50,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 to be used for the purposes of the hospital sustainability program special fund.

The sum appropriated shall be expended by the department of human services for the purposes of this Act.

SECTION 7. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 8. This Act shall take effect on July 1, 2015; provided that sections 1, 2, and 3 of this Act shall take effect on June 29, 2015.

(Approved May 29, 2015.)

A Bill for an Act Relating to the Civil Monetary Penalty Special Fund.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 321, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§321- Civil monetary penalty special fund. (a) There is established the civil monetary penalty special fund, to be administered by the department of health. The fund shall consist of moneys collected by the United States Department of Health and Human Services Centers for Medicare and Medicaid Services as federally imposed civil monetary penalty funds when health care facilities or agencies do not meet medicare certification requirements as determined by the department of health when it conducts medicare certification surveys and complaint investigations on health care facilities or agencies in Hawaii in accordance with section 1864 of the Social Security Act. Moneys in the fund shall be expended by the department of health as approved by the Centers for Medicare and Medicaid Services. Not more than \$30,000 of the moneys in the fund may be used during any fiscal year for the activities carried out by the department of health as approved by the Centers for Medicare and Medicaid Services.

(b) Pursuant to federal law, civil monetary penalty special fund moneys shall not be subject to deposit into the general fund for any reason.

(c) The department of health shall submit a report to the legislature concerning the status of the civil monetary penalty special fund, including the amount of moneys deposited into and expended from the civil monetary penalty special fund, and the sources of receipts and uses of expenditures, no later than twenty days prior to the convening of each regular session.”

SECTION 2. Section 36-27, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Except as provided in this section, and notwithstanding any other law to the contrary, from time to time, the director of finance, for the purpose of defraying the prorated estimate of central service expenses of government in relation to all special funds, except the:

- (1) Special out-of-school time instructional program fund under section 302A-1310;
- (2) School cafeteria special funds of the department of education;
- (3) Special funds of the University of Hawaii;
- (4) State educational facilities improvement special fund;
- (5) Convention center enterprise special fund under section 201B-8;
- (6) Special funds established by section 206E-6;
- (7) Housing loan program revenue bond special fund;
- (8) Housing project bond special fund;
- (9) Aloha Tower fund created by section 206J-17;
- (10) Funds of the employees' retirement system created by section 88-109;
- (11) Hawaii hurricane relief fund established under chapter 431P;
- (12) Hawaii health systems corporation special funds and the subaccounts of its regional system boards;
- (13) Tourism special fund established under section 201B-11;
- (14) Universal service fund established under section 269-42;
- (15) Emergency and budget reserve fund under section 328L-3;

- (16) Public schools special fees and charges fund under section 302A-1130;
- (17) Sport fish special fund under section 187A-9.5;
- (18) Glass advance disposal fee established by section 342G-82;
- (19) Center for nursing special fund under section 304A-2163;
- (20) Passenger facility charge special fund established by section 261-5.5;
- (21) Court interpreting services revolving fund under section 607-1.5;
- (22) Hawaii cancer research special fund;
- (23) Community health centers special fund;
- (24) Emergency medical services special fund;
- (25) Rental motor vehicle customer facility charge special fund established under section 261-5.6;
- (26) Shared services technology special fund under section 27-43;
- (27) Automated victim information and notification system special fund established under section 353-136;
- (28) Deposit beverage container deposit special fund under section 342G-104;
- (29) Hospital sustainability program special fund under Act 217, Session Laws of Hawaii 2012, as amended by Act 141, Session Laws of Hawaii 2013;
- [(30)] Nursing facility sustainability program special fund under Act 156, Session Laws of Hawaii 2012;
- [(31)] Hawaii 3R's school improvement fund under section 302A-1502.4;
- [and
- [(32)] After-school plus program revolving fund under section 302A-1149.5[;]; and

(33) Civil monetary penalty special fund under section 321- shall deduct five per cent of all receipts of all special funds, which deduction shall be transferred to the general fund of the State and become general realizations of the State. All officers of the State and other persons having power to allocate or disburse any special funds shall cooperate with the director in effecting these transfers. To determine the proper revenue base upon which the central service assessment is to be calculated, the director shall adopt rules pursuant to chapter 91 for the purpose of suspending or limiting the application of the central service assessment of any fund. No later than twenty days prior to the convening of each regular session of the legislature, the director shall report all central service assessments made during the preceding fiscal year.”

SECTION 3. Section 36-30, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

- “(a) Each special fund, except the:
- (1) Transportation use special fund established by section 261D-1;
  - (2) Special out-of-school time instructional program fund under section 302A-1310;
  - (3) School cafeteria special funds of the department of education;
  - (4) Special funds of the University of Hawaii;
  - (5) State educational facilities improvement special fund;
  - (6) Special funds established by section 206E-6;
  - (7) Aloha Tower fund created by section 206J-17;
  - (8) Funds of the employees' retirement system created by section 88-109;
  - (9) Hawaii hurricane relief fund established under section 431P-2;
  - (10) Convention center enterprise special fund established under section 201B-8;



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- (11) Hawaii health systems corporation special funds and the subaccounts of its regional system boards;
- (12) Tourism special fund established under section 201B-11;
- (13) Universal service fund established under section 269-42;
- (14) Emergency and budget reserve fund under section 328L-3;
- (15) Public schools special fees and charges fund under section 302A-1130;
- (16) Sport fish special fund under section 187A-9.5;
- (17) Center for nursing special fund under section 304A-2163;
- (18) Passenger facility charge special fund established by section 261-5.5;
- (19) Court interpreting services revolving fund under section 607-1.5;
- (20) Hawaii cancer research special fund;
- (21) Community health centers special fund;
- (22) Emergency medical services special fund;
- (23) Rental motor vehicle customer facility charge special fund established under section 261-5.6;
- (24) Shared services technology special fund under section 27-43;
- (25) Nursing facility sustainability program special fund established pursuant to Act 156, Session Laws of Hawaii 2012;
- (26) Automated victim information and notification system special fund established under section 353-136; ~~and~~
- (27) Hospital sustainability program special fund under Act 217, Session Laws of Hawaii 2012, as amended by Act 141, Session Laws of Hawaii 2013~~;~~; and
- (28) Civil monetary penalty special fund under section 321- shall be responsible for its pro rata share of the administrative expenses incurred by the department responsible for the operations supported by the special fund concerned.”

SECTION 4. There is appropriated out of the civil monetary penalty special fund the sum of \$30,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the sum of \$15,000 or so much thereof as may be necessary for fiscal year 2016-2017 for the purposes approved by the Centers for Medicare and Medicaid Services.

The sums appropriated shall be expended by the department of health for the purposes of this Act.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

SECTION 6. This Act shall take effect on June 29, 2015; provided that:

- (1) Section 4 shall take effect on July 1, 2015;
- (2) The amendments made to section 36-27(a), Hawaii Revised Statutes, in section 2 of this Act shall not be repealed when section 36-27(a), Hawaii Revised Statutes, is repealed and reenacted on:
  - (A) June 30, 2015, pursuant to section 34(3) of Act 79, Session Laws of Hawaii 2009; and
  - (B) December 31, 2015, pursuant to section 7(3) of Act 124, Session Laws of Hawaii 2014; and
- (3) The amendments made to section 36-30(a), Hawaii Revised Statutes, in section 3 of this Act shall not be repealed when section 36-30(a), Hawaii Revised Statutes, is repealed and reenacted on:
  - (A) June 30, 2015, pursuant to section 34(3) of Act 79, Session Laws of Hawaii 2009; and

(B) December 31, 2015, pursuant to section 7(3) of Act 124, Session Laws of Hawaii 2014.

(Approved May 29, 2015.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 72

H.B. NO. 139

A Bill for an Act Relating to the Issuance of Special Purpose Revenue Bonds to Assist Anaergia Inc.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that support for the development of renewable and efficient energy systems in the State, which is geographically isolated from sources of oil, continues to be in the public interest. Anaergia Inc., is a global leader in offering sustainable solutions for the generation of renewable energy and the conversion of waste to resources.

Anaergia Inc., through its affiliates or subsidiaries or special purpose entities, proposes to build, own, and operate:

- (1) A project located in central Maui that is designed to process up to seven hundred tons per day of municipal solid waste, green waste, and sewage sludge. The features of this project include:
  - (A) A material resource recovery facility to recover recyclable materials such as metal, cardboard, and glass;
  - (B) Anaerobic digestion systems to break down organic materials; and
  - (C) Other processing equipment necessary to convert organics like municipal sludge, food waste, green waste, and other materials to renewable methane rich bio-gas, which is similar to natural gas; and
- (2) A project to be sited on approximately one thousand eight hundred acres of fallow agricultural lands in west Maui, where energy crops, such as low-cost and low-maintenance plants harvested to make biofuels, will be grown. This project will convert harvested energy crops into renewable methane rich bio-gas or renewable electricity through the use of anaerobic digestion systems to be located in west Maui or central Maui.

In support of the above projects, the requested issuance amount of the special purpose revenue bonds considered by this Act has been carefully considered and matches similar investment marks for infrastructure projects of this type. In addition to providing funding for the above renewable energy projects, revenue secured from the special purpose revenue bonds will offer Anaergia Inc., critical financial flexibility to support various related projects and initiatives and the deployment of internal capital. To continue Anaergia Inc.'s track record of recruiting investors and effectively allocating investment capital funds, the planned end-goal projects and initiatives for the series of funding under this Act would include:

- (1) Enhanced source separation initiatives allowing for better recovery of recyclable materials;

- (2) Out-year optimization allowing for enhanced operational efficiencies, increased recovery of recyclable materials, and improved adaptability to future changes in waste composition and waste generation quantities;
- (3) More opportunities for mutually beneficial collaboration with local firms, including recyclers, farmers, and transportation companies;
- (4) Enhanced and innovative revitalization efforts for fallow agricultural lands, including expanded soil erosion mitigation efforts, rehabilitation of depleted and acidified soils, and implementation of sustainable farming practices to include reduced pesticide usage and implementation of organic farming practices;
- (5) Advanced research and development efforts allowing Anaergia Inc., to improve its ability to continually maintain organizational efficiency and current industry standards;
- (6) A full environmental impact study, which is not a requirement of the central Maui project but which would allow for expanded public, community, and governmental input on the proposed municipal waste processing facility;
- (7) Expanded public education and awareness programs related to solid waste, material reuse, recycling, sustainability, and renewable energy technologies as well as expansion of community investment and philanthropic activities; and
- (8) Expansion of on-the-job training programs and higher-level education scholarships.

The legislature finds that the development of the projects outlined above, as well as the associated projects and initiatives of Anaergia Inc., and its partners, would benefit the State in several ways, including:

- (1) Reduction of up to two hundred thousand tons of greenhouse gas emissions per year;
- (2) Reduction of up to eighty-five per cent of materials deposited into the central Maui landfill and an increase in the recovery of recyclable materials of over ten times at the central Maui landfill;
- (3) Reduction or stabilization of county landfill disposal and operational costs over the long run;
- (4) Alleviation of treated water disposal issues, including the substantial reduction or elimination of injection well use in west Maui through the use of recycled water to irrigate energy crops;
- (5) Creation of approximately sixty permanent local technical and semi-technical jobs at both facilities and approximately two hundred additional construction jobs during the building phase;
- (6) Production of renewable energy and renewable fuels from both facilities for use in local communities, which will help reduce the State's reliance on imported fossil fuels;
- (7) Assistance in meeting the State's renewable energy goals by providing over ten megawatts of firm renewable power; and
- (8) Containment of dust clouds and reduction of soil erosion from fallow agricultural lands on west Maui farm lands.

Through the utilization of special purpose revenue bonds as the means of funding, Anaergia Inc., may provide the benefits outlined above without investment or operational financial risk to the State or counties.

Accordingly, the legislature finds that the issuance of special purpose revenue bonds under this Act for Anaergia Inc., is in the public interest and for the public health, safety, and general welfare of the State.

SECTION 2. Pursuant to part V, chapter 39A, Hawaii Revised Statutes, the department of budget and finance, with the approval of the governor, is authorized to issue special purpose revenue bonds in a total amount not to exceed \$90,000,000 in one or more series, for the purpose of assisting Anaergia Inc., with the establishment and funding of energy production, waste recovery, and related facilities and projects on the island of Maui. The outputs of these facilities shall be made available by sale directly from Anaergia Inc., to viable off-takers, by sale to electric utilities servicing the public, or both.

The legislature hereby finds and determines that Anaergia Inc.'s planning, design, and construction of a material recovery facility, an anaerobic digester, and a facility to convert energy crops into renewable gas or renewable electricity constitutes a project as defined in part V, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to an industrial enterprise.

SECTION 3. The special purpose revenue bonds and the refunding special purpose revenue bonds issued under this Act shall be issued pursuant to part V, chapter 39A, Hawaii Revised Statutes, relating to the power to issue special purpose revenue bonds to assist industrial enterprises.

SECTION 4. The department of budget and finance is authorized, from time to time, including times subsequent to June 30, 2020, to issue special purpose revenue bonds in whatever principal amounts the department shall determine to be necessary to refund the special purpose revenue bonds authorized in section 2 and to refund special purpose revenue bonds authorized in this section, regardless of whether the outstanding special purpose revenue bonds or refunding special purpose revenue bonds have matured or are the subject of redemption or whether the refunding special purpose revenue bonds shall be bonds for the multi-project programs described in section 2. In making this determination, the department shall comply with federal law relating to the exemption from federal income taxation of the interest on bonds of the nature authorized by this section.

SECTION 5. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2020.

SECTION 6. This Act shall take effect on July 1, 2015.

(Approved May 29, 2015.)

## ACT 73

H.B. NO. 140

A Bill for an Act Relating to the Issuance of Special Purpose Revenue Bonds for Chaminade University of Honolulu.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds and declares that the issuance of special purpose revenue bonds under this Act is in the public interest and for the public health, safety, and general welfare.

SECTION 2. Pursuant to part VIII, chapter 39A, Hawaii Revised Statutes, the department of budget and finance, with the approval of the governor, is authorized to issue special purpose revenue bonds in a total amount not to exceed \$25,000,000, in one or more series, for the purpose of assisting Chaminade Uni-

versity of Honolulu, a not-for-profit private sectarian university that serves the general public, to finance and re-finance the planning, acquisition, construction, improvement, and equipping of its educational facilities. Chaminade University of Honolulu intends to refinance, construct, and renovate athletic facilities and renovate classrooms and faculty and administrative offices. In addition, it will conduct structural maintenance on the campus and its buildings, including the residence halls and external infrastructure, as well as improve landscaping and account for other related costs. The legislature hereby finds and determines that the aforementioned activities constitute a project as defined in part VIII, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to a not-for-profit private sectarian university that serves the general public.

SECTION 3. The special purpose revenue bonds and the refunding special purpose revenue bonds issued under this Act shall be issued pursuant to part VIII, chapter 39A, Hawaii Revised Statutes, relating to the power to issue special purpose revenue bonds to assist not-for-profit private nonsectarian and sectarian elementary schools, secondary schools, colleges, and universities serving the general public.

SECTION 4. The special purpose revenue bonds issued under this Act may be issued in one or more series for a single project, multiple projects, a single-project party, or multiple-project parties pursuant to the authority of this Act or the combined authority of this Act and any one or more other separate acts of the legislature pursuant to part VIII, chapter 39A, Hawaii Revised Statutes, and the department of budget and finance may combine into a single issue of special purpose revenue bonds, in one or more series, two or more proposed issues of special purpose revenue bonds to be issued pursuant to part VIII, chapter 39A, Hawaii Revised Statutes, separately authorized, in the total amount not to exceed the aggregate of the proposed separate issues of special purpose revenue bonds.

SECTION 5. The department of budget and finance is authorized, from time to time, including times subsequent to June 30, 2020, to issue special purpose revenue bonds in whatever principal amounts the department shall determine to be necessary to refund the special purpose revenue bonds authorized in section 2 and to refund special purpose revenue bonds authorized in this section, regardless of whether the outstanding special purpose revenue bonds or refunding special purpose revenue bonds have matured or are the subject of redemption or whether the refunding special purpose revenue bonds shall be bonds for the multi-project programs described in section 2. In making this determination, the department shall comply with federal law relating to the exemption from federal income taxation of the interest on bonds of the nature authorized by this section.

SECTION 6. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2020.

SECTION 7. This Act shall take effect on July 1, 2015.

(Approved May 29, 2015.)

## ACT 74

H.B. NO. 241

A Bill for an Act Relating to Special Purpose Revenue Bonds to Assist Seawater Air Conditioning Projects on Oahu.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Act 79, Session Laws of Hawaii 2005, as amended by section 1 of Act 80, Session Laws of Hawaii 2010, is amended by amending sections 4 and 5 to read as follows:

“SECTION 4. The department of budget and finance [~~is authorized~~], from time to time, including times subsequent to ~~[June 28, 2015, to]~~ June 26, 2020, may issue special purpose revenue bonds in whatever principal amounts the department shall determine to be necessary to refund the special purpose revenue bonds authorized in section 2 and to refund special purpose revenue bonds authorized in this section, regardless of whether the outstanding special purpose revenue bonds or refunding special purpose revenue bonds have matured or are the subject of redemption or whether the refunding special purpose revenue bonds shall be bonds for the multi-project programs described in section 2.

In making this determination, the department shall comply with federal law relating to the exemption from federal income taxation of the interest on bonds of the nature authorized by this section.

SECTION 5. The authorization to issue special purpose revenue bonds under this Act shall lapse on ~~[June 28, 2015.]~~ June 26, 2020.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect on June 27, 2015.

(Approved May 29, 2015.)

## ACT 75

S.B. NO. 1214

A Bill for an Act Relating to the Issuance of Special Purpose Revenue Bonds to Assist Hawaiian Electric Company, Inc., Maui Electric Company, Limited, and Hawaii Electric Light Company, Inc.

*Be It Enacted by the Legislature of the State of Hawaii:*

## PART I

SECTION 1. The legislature finds and declares that the issuance of special purpose revenue bonds under this Act is in the public interest and for the public health, safety, and general welfare.

SECTION 2. Pursuant to part VI, chapter 39A, Hawaii Revised Statutes, the department of budget and finance, with the approval of the governor, is authorized to issue special purpose revenue bonds in a total amount not to exceed \$80,000,000, in one or more series, for the purpose of assisting Hawaiian Electric Company, Inc., Maui Electric Company, Limited, and Hawaii Electric

## ACT 76

Light Company, Inc., all Hawaii corporations, to continue multi-project capital improvement programs, including costs to cover the acquisition of land or the construction or acquisition of facilities used or related to the production, transmission, or distribution of electricity, or any combination thereof; provided that the approval of the public utilities commission shall be required for any project financed by the issuance of special purpose revenue bonds under this Act. The special purpose revenue bonds shall be issued for the aforementioned purposes in the following distribution:

- (1) Up to \$70,000,000 for Hawaiian Electric Company, Inc.;
- (2) Up to \$7,500,000 for Maui Electric Company, Limited; and
- (3) Up to \$2,500,000 for Hawaii Electric Light Company, Inc.

The legislature hereby finds and determines that the capital improvement projects and programs of Hawaiian Electric Company, Inc., Maui Electric Company, Limited, and Hawaii Electric Light Company, Inc., constitute energy projects as defined in part VI, chapter 39A, Hawaii Revised Statutes, and the financing thereof constitutes assistance to utilities serving the general public in providing electric energy.

SECTION 3. The special purpose revenue bonds and the refunding special purpose revenue bonds issued under this Act shall be issued pursuant to part VI, chapter 39A, Hawaii Revised Statutes, relating to the power to issue special purpose revenue bonds to assist utilities serving the general public in providing electric energy.

SECTION 4. The department of budget and finance is authorized, from time to time, including times subsequent to June 30, 2020, to issue special purpose revenue bonds in whatever principal amounts the department shall determine to be necessary to refund the special purpose revenue bonds authorized in section 2 and to refund special purpose revenue bonds authorized in this section, regardless of whether the outstanding special purpose revenue bonds or refunding special purpose revenue bonds have matured or are the subject of redemption or whether the refunding special purpose revenue bonds shall be bonds for the multi-project programs described in section 2. In making this determination, the department shall comply with federal law relating to the exemption from federal income taxation of the interest on bonds of the nature authorized by this section.

SECTION 5. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2020.

SECTION 6. This Act shall take effect on July 1, 2015.

(Approved May 29, 2015.)

## ACT 76

S.B. NO. 1028

A Bill for an Act Relating to the Hawaii Health Connector.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the federal Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) required states to establish health insurance exchanges to connect buyers and sellers of health and dental insurance and facilitate the purchase and sale of federally-qualified health in-

urance plans and qualified dental plans. The initial intent of the state health insurance exchanges was to reduce the number of uninsured individuals, provide a transparent marketplace, conduct consumer education, and assist individuals in gaining access to assistance programs, premium assistance tax credits, and cost-share reductions.

The legislature further finds that, largely due to the success of the Hawaii Prepaid Health Care Act, the State enjoys an overall healthier population, lower uninsured rates, and lower premium costs than mainland states. It is, therefore, imperative that Hawaii's health insurance exchange, known as the Hawaii health connector (connector), work in tandem with the Hawaii Prepaid Health Care Act to preserve the Prepaid Health Care Act's existing benefits for Hawaii residents.

The legislature additionally finds that as of April 21, 2015, the connector has experienced a successful open enrollment facilitating more than 37,000 qualified health plan and dental plan selections and 45,000 medicaid enrollees for the 2015 plan year. The legislature also finds that, as part of its initial phase of operation, the connector has benefited from new tax credits available under the Affordable Care Act, including the advanced premium tax credit and small business health insurance tax credit. The combined value of these benefits through 2024 is estimated at \$505,000,000, which is expected to provide direct financial stimulus to the State, facilitate the expansion of health insurance, and reduce uncompensated health care costs associated with the delivery of medical services to the State's eligible population.

The purpose of this Act is to appropriate funds for the operations of the connector.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 for the operations of the Hawaii health connector.

The sums appropriated shall be expended by the department of commerce and consumer affairs for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2015.

(Approved June 3, 2015.)

## ACT 77

S.B. NO. 1066

A Bill for an Act Relating to the Uniform Interstate Family Support Act.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 576B, Hawaii Revised Statutes, is amended to read as follows:

### “~~[[CHAPTER 576B]]~~”

#### UNIFORM INTERSTATE FAMILY SUPPORT ACT

##### ARTICLE 1. GENERAL PROVISIONS

~~§576B-101~~ **Short title.** This chapter may be cited as the Uniform Interstate Family Support Act.

~~§576B-101~~ ~~§576B-102~~ **Definitions.** In this chapter:



“Child” means an individual, whether over or under the age of majority, who is or is alleged to be owed a duty of support by the individual’s parent or who is or is alleged to be the beneficiary of a support order directed to the parent.

“Child support order” means a support order for a child, including a child who has attained the age of majority under the law of the issuing state[-] or foreign country.

“Convention” means the Convention on the International Recovery of Child Support and Other Forms of Family Maintenance, concluded at The Hague on November 23, 2007.

“Duty of support” means an obligation imposed or imposable by law to provide support for a child, spouse, or former spouse, including an unsatisfied obligation to provide support.

“Foreign country” means a country, including a political subdivision thereof, other than the United States, that authorizes the issuance of support orders and:

- (1) That has been declared under the law of the United States to be a foreign reciprocating country;
- (2) That has established a reciprocal agreement for child support with this State as provided in section 576B-308;
- (3) That has enacted a law or established procedures for the issuance and enforcement of support orders that are substantially similar to the procedures under this chapter; or
- (4) In which the Convention is in force with respect to the United States.

“Foreign support order” means a support order of a foreign tribunal.

“Foreign tribunal” means a court, administrative agency, or quasi-judicial entity of a foreign country that is authorized to establish, enforce, or modify support orders or to determine parentage of a child. This term includes a competent authority under the Convention.

“Home state” means the state or foreign country in which a child lived with a parent or a person acting as parent for at least six consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than six months old, the state or foreign country in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the six-month or other period.

“Income” includes earnings or other periodic entitlements to money from any source and any other property subject to withholding for support under the law of this State.

“Income withholding order” means an order or other legal process directed to an obligor’s employer as defined by sections 571-52, 571-52.2, 571-52.3, [and] 576D-14, and 576E-16, to withhold support from the income of the obligor.

~~“Initiating state” means a state from which a proceeding is forwarded or in which a proceeding is filed for forwarding to a responding state under this chapter or a law or procedure substantially similar to this chapter, the Uniform Reciprocal Enforcement of Support Act, or the Revised Uniform Reciprocal Enforcement of Support Act.~~

“Initiating tribunal” means the [authorized] tribunal [in an initiating state.] of a state or foreign country from which a petition or comparable pleading is forwarded or in which a petition or comparable pleading is filed for forwarding to another state or foreign country.

“Issuing foreign country” means the foreign country in which a tribunal issues a support order or a judgment determining parentage of a child.

“Issuing state” means the state in which a tribunal issues a support order or ~~renders~~ a judgment determining parentage~~[-]~~ of a child.

“Issuing tribunal” means the tribunal of a state or foreign country that issues a support order or ~~renders~~ a judgment determining parentage~~[-]~~ of a child.

“Law” includes decisional and statutory law and rules and regulations having the force of law.

“Obligee” means:

(1) An individual to whom a duty of support is or is alleged to be owed or in whose favor a support order ~~has been issued~~ or a judgment determining parentage of a child has been ~~rendered~~; issued;

(2) A foreign country, state, or political subdivision of a state to which the rights under a duty of support or support order have been assigned or which has independent claims based on financial assistance provided to an individual obligee~~[-]~~ or in place of child support;

(3) An individual seeking a judgment determining parentage of the individual’s child~~[-]~~; or

(4) A person that is a creditor in a proceeding under Article 7.

“Obligor” means an individual, or the estate of a decedent~~[-]~~ that:

(1) ~~Who owes~~ Owes or is alleged to owe a duty of support;

(2) ~~Who is~~ Is alleged but has not been adjudicated to be a parent of a child; ~~or~~

(3) ~~Who is~~ Is liable under a support order~~[-]~~; or

(4) Is a debtor in a proceeding under Article 7.

“Outside this State” means a location in another state or a country other than the United States, whether or not the country is a foreign country.

“Person” means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government, or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

“Record” means information that is inscribed on a tangible medium or stored in an electronic or other medium and retrievable in a perceivable form.

“Register” means to file in the family court of this State a support order or judgment determining parentage ~~in the family court of this State.~~ of a child issued in another state or a foreign country.

“Registering tribunal” means a tribunal of the state in which a support order or judgment determining parentage of a child is registered. The ~~child~~ support enforcement agency of this State ~~shall be deemed~~ is the registering tribunal for the receipt and processing of all registration ~~requested by~~ requests from another ~~child~~ support enforcement agency or an individual who has applied for ~~child~~ support enforcement agency services~~[-]~~ and the child support enforcement agency of this State shall register the request in the appropriate tribunal. The family court ~~shall be~~ is the registering tribunal for all other requests for registration.

“Responding state” means a state in which a ~~proceeding~~ petition or comparable pleading for support or to determine parentage of a child is filed or to which a ~~proceeding~~ petition or comparable pleading is forwarded for filing from ~~an initiating state under this chapter or a law or procedure substantially similar to this chapter, the Uniform Reciprocal Enforcement of Support Act, or the Revised Uniform Reciprocal Enforcement of Support Act.~~ another state or foreign country.

“Responding tribunal” means the authorized tribunal in a responding state~~[-]~~ or foreign country.

“Spousal support order” means a support order for a spouse or former spouse of the obligor.

"State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession ~~[subject to]~~ under the jurisdiction of the United States. The term includes:

- (1) ~~An~~ an Indian nation or tribe; ~~and~~
- (2) ~~A foreign jurisdiction that has enacted a law or established procedures for issuance and enforcement of support orders which are substantially similar to the procedures under this chapter, the Uniform Reciprocal Enforcement of Support Act or the Revised Uniform Reciprocal Enforcement of Support Act.~~

"Support enforcement agency" means a public official ~~[or]~~ governmental entity, or private agency authorized to ~~[seek]~~:

- (1) ~~[Enforcement]~~ Seek enforcement of support orders or laws relating to the duty of support ~~[pursuant to chapters 576D and 576E];~~
- (2) ~~[Establishment]~~ Seek establishment or modification of child support ~~[pursuant to chapters 346, 576D, 576E, 580, and 584];~~
- (3) ~~[Determination]~~ Request determination of parentage ~~[pursuant to chapter 584; or]~~ of a child;
- (4) ~~[Location of]~~ Attempt to locate obligors or their assets~~[-]; or~~
- (5) Request determination of the controlling child support order.

"Support order" means a judgment, decree, ~~[or]~~ order, decision, or directive, whether temporary, final, or subject to modification, issued in a state or foreign country for the benefit of a child, a spouse, or a former spouse, which provides for monetary support, health care, arrearages, retroactive support, or reimbursement~~[-; and]~~ for financial assistance provided to an individual obligee in place of child support. The term may include related costs and fees, interest, income withholding, automatic adjustment, reasonable attorney's fees, and other relief.

"Tribunal" means a court, administrative agency, or quasi-judicial entity authorized to establish, enforce, or modify support orders or to determine parentage~~[-]~~ of a child.

~~[[§576B-102] Tribunals of State.] §576B-103 State tribunal and support enforcement agency.~~ (a) The family court, the child support enforcement agency ~~[as defined by the registering tribunal in section 576B-101];~~ established by section 576D-2, and the office of child support hearings are the tribunals of this State.

~~(b) The child support enforcement agency is the support enforcement agency of this State.~~

~~[[§576B-103]] §576B-104 Remedies cumulative.~~ (a) Remedies provided by this chapter are cumulative and do not affect the availability of remedies under other law~~[-]~~ or the recognition of a foreign support order on the basis of comity.

~~(b) This chapter does not:~~

- (1) Provide the exclusive method of establishing or enforcing a support order under the law of this State; or
- (2) Grant a tribunal of this State jurisdiction to render judgment or issue an order relating to child custody or visitation in a proceeding under this chapter.

~~§576B-105 Application of chapter to resident of foreign country and foreign support proceeding.~~ (a) A tribunal of this State shall apply Articles 1 through 6 and, as applicable, Article 7, to a support proceeding involving:

- (1) A foreign support order;

- (2) A foreign tribunal; or  
 (3) An obligee, obligor, or child residing in a foreign country.  
 (b) A tribunal of this State that is requested to recognize and enforce a support order on the basis of comity may apply the procedural and substantive provisions of Articles 1 through 6.

(c) Article 7 applies only to a support proceeding under the Convention. In such a proceeding, if a provision of Article 7 is inconsistent with Articles 1 through 6, Article 7 controls.

## ARTICLE 2. JURISDICTION

### [PART I. EXTENDED PERSONAL JURISDICTION

**[§576B-201]** **Bases for jurisdiction over nonresident.** (a) In a proceeding to establish[;] or enforce[; or modify] a support order or to determine parentage[;] of a child, a tribunal of this State may exercise personal jurisdiction over a nonresident individual or the individual's guardian or conservator if:

- (1) The individual is personally served with summons or notice within this State;
- (2) The individual submits to the jurisdiction of this State by consent[;] in a record, by entering a general appearance, or by filing a responsive document having the effect of waiving any contest to personal jurisdiction;
- (3) The individual resided with the child in this State;
- (4) The individual resided in this State and provided prenatal expenses or support for the child;
- (5) The child resides in this State as a result of the acts or directives of the individual;
- (6) The individual engaged in sexual intercourse in this State and the child may have been conceived by that act of intercourse;
- (7) The individual asserted parentage of the child in the office of health status monitoring maintained in this State by the department of health; or
- (8) There is any other basis consistent with the constitutions of this State and the United States for the exercise of personal jurisdiction.

(b) The bases of personal jurisdiction set forth in subsection (a) or in any other law of this State may not be used to acquire personal jurisdiction for a tribunal of this State to modify a child support order of another state unless the requirements of section 576B-611 are met, or in the case of a foreign support order, unless the requirements of section 576B-615 are met.

**[§576B-202]** ~~Procedure when exercising jurisdiction over nonresident.~~ A tribunal of this State exercising personal jurisdiction over a nonresident under section 576B-201 may apply section 576B-316 to receive evidence from another state, and section 576B-318 to obtain discovery through a tribunal of another state. In all other respects, Articles 3 through 7 shall not apply and the tribunal shall apply the procedural and substantive law of this State, including the rules on choice of law other than those established by this chapter.] **Duration of personal jurisdiction.** Personal jurisdiction acquired by a tribunal of this State in a proceeding under this chapter or other law of this State relating to a support order continues as long as a tribunal of this State has continuing, exclusive jurisdiction to modify its order or continuing jurisdiction to enforce its order as provided by sections 576B-205, 576B-206, and 576B-211.

**[PART II. PROCEEDINGS INVOLVING TWO OR MORE STATES**

**[[§576B-203]]** **Initiating and responding tribunal of State.** Under this chapter, a tribunal of this State may serve as an initiating tribunal to forward proceedings to a tribunal of another state, and as a responding tribunal for proceedings initiated in another state~~[-]~~ or a foreign country.

**[[§576B-204]]** **Simultaneous proceedings ~~[in another state]~~.** (a) A tribunal of this State may exercise jurisdiction to establish a support order if the petition or comparable pleading is filed ~~[in this State]~~ after a pleading is filed in another state or a foreign country only if:

- (1) The petition or comparable pleading in this State is filed before the expiration of the time allowed in the other state or the foreign country for filing a responsive pleading challenging the exercise of jurisdiction by the other state~~[-]~~ or the foreign country;
- (2) The contesting party timely challenges the exercise of jurisdiction in the other state~~[-]~~ or the foreign country; and
- (3) If relevant, this State is the home state of the child.

(b) A tribunal of this State may not exercise jurisdiction to establish a support order if the petition or comparable pleading is filed ~~[in this State]~~ before a petition or comparable pleading is filed in another state or a foreign country if:

- (1) The petition or comparable pleading in the other state or foreign country is filed before the expiration of the time allowed in this State for filing a responsive pleading challenging the exercise of jurisdiction by this State;
- (2) The contesting party timely challenges the exercise of jurisdiction in this State; and
- (3) If relevant, the other state or foreign country is the home state of the child.

**[[§576B-205]]** **Continuing, exclusive jurisdiction~~[-]~~ to modify child support order.** (a) A tribunal of this State ~~[issuing]~~ that has issued a child support order consistent with the law of this State has and shall exercise continuing, exclusive jurisdiction ~~[over a]~~ to modify its child support order~~[-]~~ if the order is the controlling order and:

- (1) ~~[As long as]~~ At the time of the filing of a request for modification this State ~~[remains]~~ is the residence of the obligor, the individual obligee, or the child for whose benefit the support order is issued; or
- (2) ~~[Until all of the parties who are individuals have filed written consents with the tribunal of this State for a tribunal of another state to modify the order and assume continuing, exclusive jurisdiction.]~~ Even if this State is not the residence of the obligor, the individual obligee, or the child for whose benefit the support order is issued, the parties consent in a record or in open court that the tribunal of this State may continue to exercise jurisdiction to modify its order.

(b) A tribunal of this State ~~[issuing]~~ that has issued a child support order consistent with the law of this State may not exercise ~~[its]~~ continuing, exclusive jurisdiction to modify the order if ~~[the order has been modified by a tribunal of another state pursuant to this chapter or a law substantially similar to this chapter.]:~~

- (1) All of the parties who are individuals file consent in a record with the tribunal of this State that a tribunal of another state that has jurisdiction over at least one of the parties who is an individual or

that is located in the state of residence of the child may modify the order and assume continuing, exclusive jurisdiction; or

(2) Its order is not the controlling order.

~~[(e) If a child support order of this State is modified by a tribunal of another state pursuant to this chapter or a law substantially similar to this chapter, a tribunal of this State loses its continuing, exclusive jurisdiction with regard to prospective enforcement of the order issued in this State, and may only:~~

~~(1) Enforce the order that was modified as to amounts accruing before the modification;~~

~~(2) Enforce nonmodifiable aspects of that order; and~~

~~(3) Provide other appropriate relief for violations of that order which occurred before the effective date of the modification.~~

~~(d) A tribunal of this State shall recognize the continuing, exclusive jurisdiction of a tribunal of another state which has issued a child support order pursuant to this chapter or a law substantially similar to this chapter.]~~

(c) If a tribunal of another state has issued a child support order pursuant to the Uniform Interstate Family Support Act or a law substantially similar to that Act that modifies a child support order of a tribunal of this State, tribunals of this State shall recognize the continuing, exclusive jurisdiction of the tribunal of the other state.

(d) A tribunal of this State that lacks continuing, exclusive jurisdiction to modify a child support order may serve as an initiating tribunal to request a tribunal of another state to modify a support order issued in that state.

(e) A temporary support order issued ex parte or pending resolution of a jurisdictional conflict does not create continuing, exclusive jurisdiction in the issuing tribunal.

~~[(f) A tribunal of this State issuing a support order consistent with the law of this State has continuing, exclusive jurisdiction over a spousal support order throughout the existence of the support obligation. A tribunal of this State may not modify a spousal support order issued by a tribunal of another state having continuing, exclusive jurisdiction over that order under the law of that state.~~

~~[[§576B-206] Enforcement and modification of support order by tribunal having continuing jurisdiction.]~~ Continuing jurisdiction to enforce child support order.

(a) A tribunal of this State that has issued a child support order consistent with the law of this State may serve as an initiating tribunal to request a tribunal of another state to enforce [or modify a support order issued in that state].:

(1) The order if the order is the controlling order and has not been modified by a tribunal of another state that assumed jurisdiction pursuant to the Uniform Interstate Family Support Act; or

(2) A money judgment for arrears of support and interest on the order accrued before a determination that an order of a tribunal of another state is the controlling order.

(b) A tribunal of this State [that has] having continuing[, exclusive] jurisdiction over a support order may act as a responding tribunal to enforce [or modify] the order. [If a party subject to the continuing, exclusive jurisdiction of the tribunal no longer resides in the issuing state, in subsequent proceedings the tribunal may apply section 576B-316 to receive evidence from another state and section 576B-318 to obtain discovery through a tribunal of another state.

(c) A tribunal of this State which lacks continuing, exclusive jurisdiction over a spousal support order may not serve as a responding tribunal to modify a spousal support order of another state.

**PART III. RECONCILIATION OF MULTIPLE ORDERS]**

**§576B-207 [Recognition] Determination of controlling child support [orders;] order.** (a) If a proceeding is brought under this chapter and only one tribunal has issued a child support order, the order of that tribunal controls and ~~[must] shall~~ be ~~[so]~~ recognized.

(b) If a proceeding is brought under this chapter, and two or more child support orders have been issued by tribunals of this State ~~[or]~~, another state, or a foreign country with regard to the same obligor and same child, a tribunal of this State having personal jurisdiction over both the obligor and individual obligee shall apply the following rules ~~[in determining]~~ and by order shall determine which order ~~[to recognize for purposes of continuing, exclusive jurisdiction;] shall control and be recognized:~~

(1) If only one of the tribunals would have continuing, exclusive jurisdiction under this chapter, the order of that tribunal controls ~~[and must be so recognized]~~.

(2) If more than one of the tribunals would have continuing, exclusive jurisdiction under this chapter~~[-an]~~:

(A) An order issued by a tribunal in the current home state of the child controls ~~[and must be so recognized, but if]; or~~

(B) If an order has not been issued in the current home state of the child, the order most recently issued controls ~~[and must be so recognized]~~.

(3) If none of the tribunals would have continuing, exclusive jurisdiction under this chapter, the tribunal of this State ~~[having jurisdiction over the parties]~~ shall issue a child support order, which controls ~~[and must be so recognized]~~.

(c) If two or more child support orders have been issued for the same obligor and same child ~~[and if the obligor or the individual obligee resides in this State]~~, upon request of a party ~~[may request]~~ who is an individual or that is a support enforcement agency, a tribunal of this State ~~[to]~~ having personal jurisdiction over both the obligor and the obligee who is an individual shall determine which order controls ~~[and must be so recognized]~~ under subsection (b). ~~[The request must be accompanied by a certified copy of every support order in effect. The requesting party shall give notice of the request to each party whose rights may be affected by the determination.]~~ The request may be filed with a registration for enforcement or registration for modification pursuant to Article 6, or may be filed as a separate proceeding.

(d) A request to determine which is the controlling order shall be accompanied by a copy of every child support order in effect and the applicable record of payments. The requesting party shall give notice of the request to each party whose rights may be affected by the determination.

For the purposes of this subsection, service of the notice shall be by personal service or certified mail, return receipt requested. After initial service is effected, additional service upon a party shall be satisfied by regular mail to the party's last known address. In any child support enforcement proceedings subsequent to an order, upon a showing that diligent effort has been made to ascertain the location of a party, notice of service of process shall be presumed to be satisfied upon delivery of written notice to the most recent residential or employer address on file with the state case registry.

~~[(e)]~~ (e) The tribunal that issued the controlling order under subsection (a), (b), or (c) ~~[is the tribunal that]~~ has continuing~~[-, exclusive]~~ jurisdiction ~~[under section 576B-205.]~~ to the extent provided in section 576B-205 or 576B-206.

~~[(e)]~~ (f) A tribunal of this State ~~[which]~~ that determines by order ~~[the identity of]~~ which is the controlling order under subsection (b)(1) or (2) or [which] (c), or that issues a new controlling order under subsection (b)(3), shall state in that order [the]:

- (1) The basis upon which the tribunal made its determination[-];
- (2) The amount of prospective support, if any; and
- (3) The total amount of consolidated arrears and accrued interest, if any, under all of the orders after all payments made are credited as provided by section 576B-209.

~~[(f)]~~ (g) Within thirty days after issuance of an order determining ~~[the identity of]~~ which is the controlling order, the party obtaining the order shall file a certified copy of it ~~[with]~~ in each tribunal that issued or registered an earlier order of child support. A party [who obtains] or support enforcement agency obtaining the order [and] that fails to file a certified copy is subject to appropriate sanctions by a tribunal in which the issue of failure to file arises. The failure to file does not affect the validity or enforceability of the controlling order.

(h) An order that has been determined to be the controlling order, or a judgment for consolidated arrears of support and interest, if any, made pursuant to this section must be recognized in proceedings under this chapter.

~~[[§576B-208]]~~ **Multiple child** **Child support orders for two or more obligees.** In responding to ~~[multiple]~~ registrations or petitions for enforcement of two or more child support orders in effect at the same time with regard to the same obligor and different individual obligees, at least one of which was issued by a tribunal of another state~~[-]~~ or a foreign country, a tribunal of this State shall enforce those orders in the same manner as if the ~~[multiple]~~ orders had been issued by a tribunal of this State.

~~[[§576B-209]]~~ **Credit for payments.** ~~[Amounts]~~ A tribunal of this State shall credit amounts collected [and credited] for a particular period pursuant to [a support order] any child support order against the amounts owed for the same period under any other child support order for support of the same child issued by a tribunal of this State, another state [must be credited against the amounts accruing or accrued for the same period under a support order issued by the tribunal of this State.], or a foreign country.

**§576B-210 Application of chapter to nonresident subject to personal jurisdiction.** A tribunal of this State exercising personal jurisdiction over a nonresident in a proceeding under this chapter, under other law of this State relating to a support order, or recognizing a foreign support order may receive evidence from outside this State pursuant to section 576B-316, communicate with a tribunal outside this State pursuant to section 576B-317, and obtain discovery through a tribunal outside this State pursuant to section 576B-318. In all other respects, Articles 3 through 6 do not apply, and the tribunal shall apply the procedural and substantive law of this State.

**§576B-211 Continuing, exclusive jurisdiction to modify spousal support order.** (a) A tribunal of this State issuing a spousal support order consistent with the law of this State has continuing, exclusive jurisdiction to modify the spousal support order throughout the existence of the support obligation.

(b) A tribunal of this State may not modify a spousal support order issued by a tribunal of another state or a foreign country having continuing, exclusive jurisdiction over that order under the law of that state or foreign country.



(c) A tribunal of this State that has continuing, exclusive jurisdiction over a spousal support order may serve as:

- (1) An initiating tribunal to request a tribunal of another state to enforce the spousal support order issued in this State; or
- (2) A responding tribunal to enforce or modify its own spousal support order.

**ARTICLE 3. CIVIL PROVISIONS OF GENERAL APPLICATION**

~~[[§576B-301]]~~ **Proceedings under this chapter.** (a) Except as otherwise provided in this chapter, this article applies to all proceedings under this chapter.

~~[(b) This chapter provides for the following proceedings:~~

- ~~(1) Establishment of an order for spousal support or child support pursuant to Article 4;~~
- ~~(2) Enforcement of a support order and income withholding order of another state without registration pursuant to Article 5;~~
- ~~(3) Registration of an order for spousal support or child support of another state for enforcement pursuant to Article 6;~~
- ~~(4) Modification of an order for child support or spousal support issued by a tribunal of this State pursuant to Article 2, part II;~~
- ~~(5) Registration of an order for child support of another state for modification pursuant to Article 6;~~
- ~~(6) Determination of parentage pursuant to Article 7; and~~
- ~~(7) Assertion of jurisdiction over nonresidents pursuant to Article 2, part I.~~

~~(e)~~ (b) An individual petitioner or a support enforcement agency may ~~[commence]~~ initiate a proceeding authorized under this chapter by filing a petition in an initiating tribunal for forwarding to a responding tribunal or by filing a petition or a comparable pleading directly in a tribunal of another state or a foreign country which has or can obtain personal jurisdiction over the respondent.

~~[[§576B-302]-Action]~~ **Proceeding by minor parent.** A minor parent, or a guardian or other legal representative of a minor parent, may maintain a proceeding on behalf of or for the benefit of the minor's child.

~~[[§576B-303]]~~ **Application of law of State.** Except as otherwise provided ~~[by]~~ in this chapter, a responding tribunal of this State~~;~~ shall:

- ~~(1) [Shall apply]~~ **Apply** the procedural and substantive law~~[-including the rules on choice of law,]~~ generally applicable to similar proceedings originating in this State and may exercise all powers and provide all remedies available in those proceedings; and
- ~~(2) [Shall determine]~~ **Determine** the duty of support and the amount payable in accordance with the law and support guidelines of this State.

~~[[§576B-304]]~~ **Duties of initiating tribunal.** (a) Upon the filing of a petition authorized by this chapter, an initiating tribunal of this State shall forward ~~[three copies of]~~ the petition and its accompanying documents:

- (1) To the responding tribunal or appropriate support enforcement agency in the responding state; or
- (2) If the identity of the responding tribunal is unknown, to the state information agency of the responding state with a request that they be forwarded to the appropriate tribunal and that receipt be acknowledged.

(b) ~~If [a responding state has not enacted this chapter or a law or procedure substantially similar to this chapter,] requested by the responding tribunal,~~ a tribunal of this State ~~[may] shall~~ issue a certificate or other document and make findings required by the law of the responding state. ~~If the responding [state] tribunal is in a foreign [jurisdiction,] country, upon request the tribunal [may] of this State shall~~ specify the amount of support sought, ~~convert that amount into the equivalent amount in the foreign currency under applicable official or market exchange rate as publicly reported, and provide any other documents necessary to satisfy the requirements of the responding [state.] foreign tribunal.~~

**[[§576B-305]] Duties and powers of responding tribunal.** (a) When a responding tribunal of this State receives a petition or comparable pleading from an initiating tribunal or directly pursuant to section ~~[576B-301(e),] 576B-301(b),~~ it shall cause the petition or pleading to be filed and notify the petitioner where and when it was filed.

(b) A responding tribunal of this State, to the extent ~~[otherwise authorized] not prohibited by other law,~~ may do one or more of the following:

- (1) ~~[Issue] Establish~~ or enforce a support order, modify a child support order, ~~determine the controlling child support order, or [render a judgment to] determine parentage[s] of a child;~~
- (2) Order an obligor to comply with a child support order, specifying the amount and the manner of compliance;
- (3) Order income withholding;
- (4) Determine the amount of any arrearages, and specify a method of payment;
- (5) Enforce orders by civil or criminal contempt, or both;
- (6) Set aside property for satisfaction of the support order;
- (7) Place liens and order execution on the obligor's property;
- (8) Order an obligor to keep the tribunal informed of the obligor's current residential address, electronic mail address, telephone number, employer, address of employment, and telephone number at the place of employment;
- (9) Issue a bench warrant for an obligor who has failed after proper notice to appear at a hearing ordered by the tribunal and enter the bench warrant in any local and state computer systems for criminal warrants;
- (10) Order the obligor to seek appropriate employment by specified methods;
- (11) Award reasonable attorney's fees and other fees and costs; and
- (12) Grant any other available remedy.

(c) A responding tribunal of this State shall include in a support order issued under this chapter, or in the documents accompanying the order, the calculations on which the ~~[child] support order is based.~~

(d) A responding tribunal of this State may not condition the payment of a support order issued under this chapter upon compliance by a party with provisions for visitation.

(e) If a responding tribunal of this State issues an order under this chapter, the tribunal shall send a copy of the order to the petitioner and the respondent and to the initiating tribunal, if any.

(f) If requested to enforce a support order, arrears, or judgment or modify a support order stated in a foreign currency, a responding tribunal of this State shall convert the amount stated in the foreign currency to the equivalent amount in United States dollars under the applicable official or market exchange rate as publicly reported.

**[[§576B-306]] Inappropriate tribunal.** If a petition or comparable pleading is received by an inappropriate tribunal of this State, that tribunal shall forward the pleading and accompanying documents to an appropriate tribunal ~~[in]~~ of this State or another state and notify the petitioner where and when the pleading was sent.

**[[§576B-307]] Duties of support enforcement agency.** (a) ~~[The child]~~ A support enforcement agency of this State, upon request, shall provide services to a petitioner in a proceeding under this chapter.

(b) A support enforcement agency of this State that is providing services to the petitioner ~~[as appropriate]~~ shall:

- (1) Take all steps necessary to enable an appropriate tribunal ~~[in this State or another state]~~ of this State, another state, or a foreign country to obtain jurisdiction over the respondent ~~[and to process all registration requests received from an individual who has applied for child support enforcement agency services or support enforcement agencies in other jurisdictions];~~
- (2) Request an appropriate tribunal to set a date, time, and place for a hearing;
- (3) Make a reasonable effort to obtain all relevant information, including information as to income and property of the parties;
- (4) Within two days, exclusive of Saturdays, Sundays, and legal holidays, after receipt of ~~[a written]~~ notice in a record from an initiating, responding, or registering tribunal, send a copy of the notice to the petitioner;
- (5) Within two days, exclusive of Saturdays, Sundays, and legal holidays, after receipt of ~~[a written]~~ communication in a record from the respondent or the respondent's attorney, send a copy of the communication to the petitioner; and
- (6) Notify the petitioner if jurisdiction over the respondent cannot be obtained.

(c) A support enforcement agency of this State that requests registration of a child support order in this State for enforcement or for modification shall make reasonable efforts:

- (1) To ensure that the order to be registered is the controlling order; or
- (2) If two or more child support orders exist and the identity of the controlling order has not been determined, to ensure that a request is made to a tribunal having jurisdiction to make the determination.

(d) A support enforcement agency of this State that requests registration and enforcement of a support order, arrears, or judgment stated in a foreign currency shall convert the amounts stated in the foreign currency into the equivalent amounts in United States dollars under the applicable official or market exchange rate as publicly reported.

(e) A support enforcement agency of this State shall issue or request a tribunal of this State to issue a child support order and an income withholding order that redirect payment of current support, arrears, and interest if requested to do so by a support enforcement agency of another state pursuant to section 576B-319.

~~[(e)]~~ (f) This chapter does not create or negate a relationship of attorney and client or other fiduciary relationship between a support enforcement agency or the attorney for the agency and the individual being assisted by the agency.

**[[§576B-308]] Duty of attorney general.** (a) If the attorney general determines that the support enforcement agency is neglecting or refusing to

provide services to an individual, the attorney general may order the agency to perform its duties under this chapter or may provide those services directly to the individual.

(b) The attorney general may determine that a foreign country has established a reciprocal arrangement for child support with this State and take appropriate action for notification of the determination.

**[[§576B-309]] Private counsel.** An individual may employ private counsel to represent the individual in proceedings authorized by this chapter.

**[[§576B-310]] Duties of child support enforcement agency as state information agency.** (a) The child support enforcement agency is the state information agency under this chapter.

(b) The state information agency shall:

- (1) Compile and maintain a current list, including addresses, of the tribunals in this State ~~which~~ that have jurisdiction under this chapter and any support enforcement agencies in this State and transmit a copy to the state information agency of every other state;
- (2) Maintain a register of names and addresses of tribunals and support enforcement agencies received from other states;
- (3) Forward to the appropriate tribunal in the ~~place~~ county in this State in which the ~~individual~~ obligee who is an individual or the obligor resides, or in which the obligor's property is believed to be located, all documents concerning a proceeding under this chapter received from ~~an initiating tribunal, an individual, or the state information agency of the initiating state;~~ another state or a foreign country; and
- (4) Obtain information concerning the location of the obligor and the obligor's property within this State not exempt from execution, by such means as postal verification and federal or state locator services, examination of telephone directories, requests for the obligor's address from employers, and examination of governmental records, including, to the extent not prohibited by other law, those relating to real property, vital statistics, law enforcement, taxation, motor vehicles, driver's licenses, and social security.

**[[§576B-311]] Pleadings and accompanying documents.** (a) ~~[A] In a proceeding under this chapter, a petitioner seeking to establish [or modify] a support order [or], to determine parentage [in a proceeding under this chapter must verify the] of a child, or to register and modify a support order of a tribunal of another state or a foreign country shall file a petition. Unless otherwise ordered under section 576B-312, the petition or accompanying documents [must] shall provide, [so far as is] if known, the name, residential address, and social security numbers of the obligor and the obligee[;] or the parent and alleged parent, and the name, sex, residential address, social security number, and date of birth of each child for [whom] whose benefit support is sought[-The] or whose parentage is to be determined. Unless filed at the time of registration, the petition [must] shall be accompanied by a [certified] copy of any support order [in effect.] known to have been issued by another tribunal.~~ The petition may include any other information that may assist in locating or identifying the respondent.

(b) The petition ~~[must] shall~~ specify the relief sought. The petition and accompanying documents ~~[must] shall~~ conform substantially with the requirements imposed by the forms mandated by federal law for use in cases filed by a support enforcement agency.

**[[§576B-312]] Nondisclosure of information in exceptional circumstances.** ~~[Upon a finding, which may be made ex parte, that the health, safety, or liberty of a party or child would be unreasonably put at risk by the disclosure of identifying information, or if an existing order so provides, a tribunal shall order that the address of the child or party or other identifying information not be disclosed in a pleading or other document filed in a proceeding under this chapter.]~~ If a party alleges in an affidavit or a pleading under oath that the health, safety, or liberty of a party or child would be jeopardized by disclosure of specific identifying information, that information shall be sealed and shall not be disclosed to the other party or the public. After a hearing in which a tribunal takes into consideration the health, safety, or liberty of the party or child, the tribunal may order disclosure of information that the tribunal determines to be in the interest of justice.

**[[§576B-313]] Costs and fees.** (a) The petitioner may not be required to pay a filing fee or other costs.

(b) If an obligee prevails, a responding tribunal of this State may assess against an obligor filing fees, reasonable attorney's fees, other costs, and necessary travel and other reasonable expenses incurred by the obligee and the obligee's witnesses. The tribunal may not assess fees, costs, or expenses against the obligee or the support enforcement agency of either the initiating or the responding state[,] or foreign country, except as provided by other law. Attorney's fees may be taxed as costs, and may be ordered paid directly to the attorney, who may enforce the order in the attorney's own name. Payment of support owed to the obligee has priority over fees, costs, and expenses.

(c) The tribunal shall order the payment of costs and reasonable attorney's fees if it determines that a hearing was requested primarily for delay. In a proceeding under Article 6, a hearing is presumed to have been requested primarily for delay if a registered support order is confirmed or enforced without change.

**[[§576B-314]] Limited immunity of petitioner.** (a) Participation by a petitioner in a proceeding under this chapter before a responding tribunal, whether in person, by private attorney, or through services provided by the support enforcement agency, does not confer personal jurisdiction over the petitioner in another proceeding.

(b) A petitioner is not amenable to service of civil process while physically present in this State to participate in a proceeding under this chapter.

(c) The immunity granted by this section does not extend to civil litigation based on acts unrelated to a proceeding under this chapter committed by a party while physically present in this State to participate in the proceeding.

**[[§576B-315]] Nonparentage as defense.** A party whose parentage of a child has been previously determined by or pursuant to law may not plead nonparentage as a defense to a proceeding under this chapter.

**[[§576B-316]] Special rules of evidence and procedure.** (a) The physical presence of ~~[the petitioner]~~ a nonresident party who is an individual in a ~~[responding]~~ tribunal of this State is not required for the establishment, enforcement, or modification of a support order or the rendition of a judgment determining parentage[,] of a child.

(b) ~~[A verified petition, an]~~ An affidavit, a document substantially complying with federally mandated forms, ~~[and]~~ or a document incorporated by reference in any of them, which would not be excluded under the hearsay rule if

given in person, is admissible in evidence if given under ~~[oath]~~ penalty of perjury by a party or witness residing ~~[in another state.]~~ outside this State.

(c) A copy of the record of child support payments certified as a true copy of the original by the custodian of the record may be forwarded to a responding tribunal. The copy is evidence of facts asserted in it, and is admissible to show whether payments were made.

(d) Copies of bills for testing for parentage~~;~~ of a child, and for prenatal and postnatal health care of the mother and child, furnished to the adverse party at least ten days before trial, are admissible in evidence to prove the amount of the charges billed and that the charges were reasonable, necessary, and customary.

(e) Documentary evidence transmitted from ~~[another state]~~ outside this State to a tribunal of this State by telephone, telecopier, or other electronic means that do not provide an original ~~[writing]~~ record may not be excluded from evidence on an objection based on the means of transmission.

(f) In a proceeding under this chapter, a tribunal of this State ~~[may]~~ shall permit a party or witness residing ~~[in another state]~~ outside this State to be deposed or to testify under penalty of perjury by telephone, audiovisual means, or other electronic means at a designated tribunal or other location ~~[in that state].~~ A tribunal of this State shall cooperate with other tribunals ~~[of other states]~~ in designating an appropriate location for the deposition or testimony.

(g) If a party called to testify at a civil hearing refuses to answer on the ground that the testimony may be self-incriminating, the trier of fact may draw an adverse inference from the refusal.

(h) A privilege against disclosure of communications between spouses does not apply in a proceeding under this chapter.

(i) The defense of immunity based on the relationship of husband and wife or parent and child does not apply in a proceeding under this chapter.

(j) A voluntary acknowledgment of paternity, certified as a true copy, is admissible to establish parentage of the child.

**[[§576B-317]] Communications between tribunals.** A tribunal of this State may communicate with a tribunal ~~[of another state]~~ outside this State in ~~[writing,]~~ a record or by telephone, electronic mail, or other means, to obtain information concerning the laws ~~[of that state],~~ the legal effect of a judgment, decree, or order of that tribunal, and the status of a proceeding ~~[in the other state].~~ A tribunal of this State may furnish similar information by similar means to a tribunal ~~[of another state.]~~ outside this State.

**[[§576B-318]] Assistance with discovery.** A tribunal of this State may:

- (1) Request a tribunal ~~[of another state]~~ outside this State to assist in obtaining discovery; and
- (2) Upon request, compel a person over ~~[whom]~~ which it has jurisdiction to respond to a discovery order issued by a tribunal ~~[of another state.]~~ outside this State.

**[[§576B-319]] Receipt and disbursement of payments.** (a) A support enforcement agency or tribunal of this State shall disburse promptly any amounts received pursuant to a support order, as directed by the order. The agency or tribunal shall furnish to a requesting party or tribunal of another state or a foreign country a certified statement by the custodian of the record of the amounts and dates of all payments received.

(b) If neither the obligor, nor the obligee who is an individual, nor the child resides in this State, upon request from the support enforcement agency

of this State or another state, the support enforcement agency of this State or a tribunal of this State shall:

- (1) Direct that the support payment be made to the support enforcement agency in the state in which the obligee is receiving services; and
- (2) Issue and send to the obligor's employer a conforming income withholding order or an administrative notice of change of payee, reflecting the redirected payments.
- (c) The support enforcement agency of this State receiving redirected payments from another state pursuant to a law similar to subsection (b) shall furnish to a requesting party or tribunal of the other state a certified statement by the custodian of the record of the amount and dates of all payments received.

**ARTICLE 4. ESTABLISHMENT OF SUPPORT ORDER  
OR DETERMINATION OF PARENTAGE**

~~[[§576B-401]]~~ ~~Petition to establish~~ **Establishment of support order.** (a) If a support order entitled to recognition under this chapter has not been issued, a responding tribunal of this State with personal jurisdiction over the parties may issue a support order if:

- (1) The individual seeking the order resides [in another state;] outside this State; or
- (2) The support enforcement agency seeking the order is located [in another state;] outside this State.
- (b) The tribunal may issue a temporary child support order if[:
- (4) The respondent has signed a verified statement acknowledging parentage;
- (2) The respondent has been determined by or pursuant to law to be the parent; or
- (3) There is other clear and convincing evidence that the respondent is the child's parent.]

the tribunal determines that the order is appropriate and the individual ordered to pay is:

- (1) A presumed father of the child;
- (2) Petitioning to have paternity adjudicated;
- (3) Identified as the father of the child through genetic testing;
- (4) An alleged father who has declined to submit to genetic testing;
- (5) Shown by clear and convincing evidence to be the father of the child;
- (6) An acknowledged father as provided by section 584-3.5;
- (7) The mother of the child; or
- (8) An individual who has been ordered to pay child support in a previous proceeding and the order has not been reversed or vacated.

(c) Upon finding, after notice and opportunity to be heard, that an obligor owes a duty of support, the tribunal shall issue a support order directed to the obligor and may issue other orders pursuant to section 576B-305.

**§576B-402 Proceeding to determine parentage.** (a) A tribunal of this State authorized to determine parentage of a child may serve as a responding tribunal in a proceeding to determine parentage of a child brought under this chapter or a law or procedure substantially similar to this chapter.

(b) In a proceeding to determine parentage, a responding tribunal of this State shall apply chapter 584 and the rules of this State on choice of law.

**ARTICLE 5. ENFORCEMENT OF SUPPORT ORDER ~~[OF ANOTHER STATE]~~ WITHOUT REGISTRATION**

**§576B-501 Employer's receipt of income withholding order of another state.** An income withholding order issued in another state may be sent by or on behalf of the obligee, or by the support enforcement agency, to the person ~~[or entity]~~ defined as the obligor's employer under sections 571-52, 571-52.2, 571-52.3, 576D-14, and 576E-16, without first filing a petition or comparable pleading or registering the order with a tribunal of this State.

**~~[[§576B-502]]~~ Employer's compliance with income withholding order of another state.** (a) Upon receipt of an income withholding order, the obligor's employer shall immediately provide a copy of the order to the obligor.

(b) The employer shall treat an income withholding order issued in another state ~~[which]~~ that appears regular on its face as if it had been issued by a tribunal of this State.

(c) Except as otherwise provided in subsection (d) and section 576B-503, the employer shall withhold and distribute the funds as directed in the withholding order by complying with the terms of the order ~~[which]~~ that specify:

- (1) The duration and the amount of periodic payments of current child support, stated as a sum certain;
- (2) The person ~~[or agency]~~ designated to receive payments and the address to which the payments are to be forwarded;
- (3) Medical support, whether in the form of periodic cash payment, stated as a sum certain, or ordering the obligor to provide health insurance coverage for the child under a policy available through the obligor's employment;
- (4) The amount of periodic payments of fees and costs for a support enforcement agency, the issuing tribunal, and the obligee's attorney, stated as sums certain; and
- (5) The amount of periodic payments of arrearages and interest on arrearages, stated as sums certain.

(d) An employer shall comply with the law of the state of the obligor's principal place of employment for withholding from income with respect to:

- (1) The employer's fee for processing an income withholding order;
- (2) The maximum amount permitted to be withheld from the obligor's income; and
- (3) The times within which the employer must implement the withholding order and forward the child support payment.

**~~[[§576B-503]-Compliance]~~ Employer's compliance with ~~[multiple]~~ two or more income withholding orders.** If an obligor's employer receives ~~[multiple]~~ two or more income withholding orders with respect to the earnings of the same obligor, the employer satisfies the terms of the ~~[multiple]~~ orders if the employer complies with the law of the state of the obligor's principal place of employment to establish the priorities for withholding and allocating income withheld for ~~[multiple]~~ two or more child support obligees.

**~~[[§576B-504]]~~ Immunity from civil liability.** An employer ~~[who]~~ that complies with an income withholding order issued in another state in accordance with this article is not subject to civil liability to an individual or agency with regard to the employer's withholding of child support from the obligor's income ~~[as to that income withholding order]~~.



~~[[§576B-505]]~~ **Penalties for noncompliance.** An employer ~~[who]~~ that wilfully fails to comply with an income withholding order issued ~~[by]~~ in another state and received for enforcement ~~[is]~~ shall be subject to the same penalties that may be imposed for noncompliance with an order issued by a tribunal of this State.

~~[[§576B-506]]~~ **Contest by obligor.** (a) An obligor may contest the validity or enforcement of an income withholding order issued in another state and received directly by an employer in this State by registering the order in a tribunal of this State and filing a contest to that order as provided in Article 6 or otherwise contesting the order in the same manner as if the order had been issued by a tribunal of this State. ~~[Section 576B-604 applies to the contest.]~~

- (b) The obligor shall give notice of the contest to:
  - (1) A support enforcement agency providing services to the obligee;
  - (2) Each employer that has directly received an income withholding order~~;~~ relating to the obligor; and
  - (3) The person ~~[or agency]~~ designated to receive payments in the income withholding order~~;~~ or, if no person [or agency] is designated, to the obligee.

~~[[§576B-507]]~~ **Administrative enforcement of orders.** (a) A party or support enforcement agency seeking to enforce a support order or an income withholding order, or both, issued ~~[by a tribunal of]~~ in another state or a foreign support order may send the documents required for registering the order to a support enforcement agency of this State.

(b) Upon receipt of the documents, the support enforcement agency, without initially seeking to register the order, shall consider and, if appropriate, use any administrative procedure authorized by the law of this State to enforce a support order or an income withholding order, or both. If the obligor does not contest administrative enforcement, the order need not be registered. If the obligor contests the validity or administrative enforcement of the order, the support enforcement agency shall register the order pursuant to this chapter.

**ARTICLE 6. REGISTRATION, ENFORCEMENT, AND  
MODIFICATION OF SUPPORT ORDER ~~[AFTER REGISTRATION]~~**

**PART I. REGISTRATION ~~[AND]~~ FOR ENFORCEMENT OF SUPPORT  
ORDER**

~~[[§576B-601]]~~ **Registration of order for enforcement.** A support order or ~~[an]~~ income withholding order issued ~~[by a tribunal of]~~ in another state or a foreign support order may be registered in this State for enforcement.

~~[[§576B-602]]~~ **Procedure to register order for enforcement.** (a) ~~[A]~~ Except as otherwise provided in section 576B-706, a support order or income withholding order of another state or a foreign support order may be registered in this State by sending the following ~~[documents and information]~~ records to the registering tribunal~~;~~ in this State:

- (1) A letter of transmittal to the ~~[registering]~~ tribunal requesting registration and enforcement;
- (2) Two copies, including one certified copy, of ~~[all orders]~~ the order to be registered, including any modification of ~~[an]~~ the order;

- (3) A sworn statement by the ~~[party seeking]~~ person requesting registration or a certified statement by the custodian of the record showing the amount of any arrearage;
- (4) The name of the obligor and, if known:
  - (A) The obligor's address and social security number;
  - (B) The name and address of the obligor's employer and any other source of income of the obligor; and
  - (C) A description and the location of property of the obligor in this State not exempt from execution; and
- (5) ~~[The]~~ Except as otherwise provided in section 576B-312, the name and address of the obligee and, if applicable, the ~~[agency or]~~ person to whom support payments are to be remitted.
  - (b) On receipt of a request for registration, the registering tribunal shall cause the order to be filed as ~~[a foreign judgment,]~~ an order of a tribunal of another state or a foreign support order, together with one copy of the documents and information, regardless of their form.
    - (c) A petition or comparable pleading seeking a remedy that must be affirmatively sought under other law of this State may be filed at the same time as the request for registration or later. The pleading ~~[must]~~ shall specify the grounds for the remedy sought.
    - (d) If two or more orders are in effect, the person requesting registration shall:
      - (1) Furnish to the tribunal a copy of every support order asserted to be in effect in addition to the documents specified in this section;
      - (2) Specify the order alleged to be the controlling order, if any; and
      - (3) Specify the amount of consolidated arrears, if any.
    - (e) A request for a determination of which is the controlling order may be filed separately or with a request for registration and enforcement or for registration and modification. The person requesting registration shall give notice of the request to each party whose rights may be affected by the determination.

**[[§576B-603]] Effect of registration for enforcement.** (a) A support order or income withholding order issued in another state or a foreign support order is registered when the order is filed in ~~[a tribunal]~~ the family court of this State.

(b) A registered support order issued in another state or a foreign country is enforceable in the same manner and is subject to the same procedures as an order issued by a tribunal of this State.

(c) Except as otherwise provided in this ~~[article,]~~ chapter, a tribunal of this State shall recognize and enforce, but may not modify, a registered support order if the issuing tribunal had jurisdiction.

**[[§576B-604]] Choice of law.** (a) ~~[The]~~ Except as otherwise provided in subsection (d), the law of the issuing state or foreign country governs [the]:

- (1) The nature, extent, amount, and duration of current payments ~~[and other obligations of support and the]~~ under a registered support order;
  - (2) The computation and payment of arrearages and accrual of interest on the arrearages under the support order[-]; and
  - (3) The existence and satisfaction of other obligations under the support order.
- (b) In a proceeding for ~~[arrearages,]~~ arrears under a registered support order, the statute of limitation ~~[under the laws]~~ of this State, or of the issuing state[-] or foreign country, whichever is longer, applies.

(c) A responding tribunal of this State shall apply the procedures and remedies of this State to enforce current support and collect arrears and interest due on a support order of another state or foreign country registered in this State.

(d) After a tribunal of this State or another state determines which is the controlling order and issues an order consolidating arrears, if any, a tribunal of this State shall prospectively apply the law of the state or foreign country issuing the controlling order, including its law on interest on arrears, on current and future support, and on consolidated arrears.

## PART II. CONTEST OF VALIDITY OR ENFORCEMENT

**§576B-605 Notice of registration of order.** (a) When a support order or income withholding order issued in another state or a foreign support order is registered, the registering tribunal of this State shall notify the nonregistering party. The notice must be accompanied by a copy of the registered order and the documents and relevant information accompanying the order.

(b) ~~[The]~~ A notice ~~[must]~~ shall inform the nonregistering party:

- (1) That a registered order is enforceable as of the date of registration in the same manner as an order issued by a tribunal of this State;
- (2) That a hearing to contest the validity or enforcement of the registered order must be requested within twenty days after notice~~;~~ unless the registered order is under section 576B-707;
- (3) That failure to contest the validity or enforcement of the registered order in a timely manner will result in confirmation of the order and enforcement of the order and the alleged arrearages ~~[and precludes further contest of that order with respect to any matter that could have been asserted];~~ and
- (4) Of the amount of any alleged arrearages.

(c) If the registering party asserts that two or more orders are in effect, a notice shall also:

- (1) Identify the two or more orders and the order alleged by the registering party to be the controlling order and the consolidated arrears, if any;
- (2) Notify the nonregistering party of the right to a determination of which is the controlling order;
- (3) State that the procedures provided in subsection (b) apply to the determination of which is the controlling order; and
- (4) State that failure to contest the validity or enforcement of the order alleged to be the controlling order in a timely manner may result in confirmation that the order is the controlling order.

~~[(e)]~~ (d) Upon registration of an income withholding order for enforcement, the support enforcement agency or the registering tribunal shall notify the obligor's employer pursuant to sections 571-52, 571-52.2, 571-52.3, 576D-14, and 576E-16.

~~[(d)]~~ (e) For the purposes of this section, service of the notice shall be by personal service or certified mail, return receipt requested. After initial service is effected, additional service upon a party shall be satisfied by regular mail to the party's last known address. In any child support enforcement proceedings subsequent to an order, upon a showing that diligent effort has been made to ascertain the location of a party, notice of service of process shall be presumed to be satisfied upon delivery of written notice to the most recent residential or employer address on file with the state case registry.

**§576B-606 Procedure to contest validity or enforcement of registered support order.** (a) A nonregistering party seeking to contest the validity or enforcement of a registered order in this State shall request a hearing within ~~[twenty days after notice of the registration.]~~ the time required by section 576B-605. The nonregistering party may seek to vacate the registration, to assert any defense to an allegation of noncompliance with the registered order, or to contest the remedies being sought or the amount of any alleged arrearages pursuant to section 576B-607.

(b) If the nonregistering party fails to contest the validity or enforcement of the registered support order in a timely manner, the order is confirmed by operation of law.

(c) If a nonregistering party requests a hearing to contest the validity or enforcement of the registered support order, the registering tribunal shall schedule the matter for hearing and give notice to the parties of the date, time, and place of the hearing.

(d) For the purposes of this section, service of the notice of a hearing regarding the validity or enforcement of the registered order, shall be satisfied by regular mail to the party's last known address. In any child support enforcement proceedings subsequent to an order, upon a showing that diligent effort has been made to ascertain the location of a party, notice of service of process shall be presumed to be satisfied upon delivery of written notice to the most recent residential or employer address on file with the state case registry.

**[[§576B-607]] Contest of registration or enforcement.** (a) A party contesting the validity or enforcement of a registered support order or seeking to vacate the registration has the burden of proving one or more of the following defenses:

- (1) The issuing tribunal lacked personal jurisdiction over the contesting party;
- (2) The order was obtained by fraud;
- (3) The order has been vacated, suspended, or modified by a later order;
- (4) The issuing tribunal has stayed the order pending appeal;
- (5) There is a defense under the law of this State to the remedy sought;
- (6) Full or partial payment has been made; ~~[or]~~
- (7) The statute of limitation under section 576B-604 precludes enforcement of some or all of the alleged arrearages~~[-]; or~~
- (8) The alleged controlling order is not the controlling order.

(b) If a party presents evidence establishing a full or partial defense under subsection (a), a tribunal may stay enforcement of ~~[the] a~~ registered support order, continue the proceeding to permit production of additional relevant evidence, and issue other appropriate orders. An uncontested portion of the registered support order may be enforced by all remedies available under the law of this State.

(c) If the contesting party does not establish a defense under subsection (a) to the validity or enforcement of ~~[the] a~~ registered support order, ~~[a tribunal of this State]~~ the registering tribunal shall issue an order confirming the order.

**[[§576B-608]] Confirmed order.** Confirmation of a registered support order, whether by operation of law or after notice and hearing, precludes further contest of the order with respect to any matter that could have been asserted at the time of registration.

**PART III. REGISTRATION AND MODIFICATION  
OF CHILD SUPPORT ORDER OF ANOTHER STATE**

**§576B-609** Procedure to register child support order of another state for modification. A party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another state shall register that order in this State in the same manner provided in ~~part I~~ sections 576B-601 through 576B-608 if the order has not been registered. A petition for modification may be filed at the same time as a request for registration, or later. The pleading ~~must~~ shall specify the grounds for modification.

**§576B-610** Effect of registration for modification. A tribunal of this State may enforce a child support order of another state registered for purposes of modification, in the same manner as if the order had been issued by a tribunal of this State, but the registered order may be modified only if the requirements of section 576B-611 or 576B-613 have been met.

**§576B-611** Modification of child support order of another state. (a) ~~After~~ If section 576B-613 does not apply, upon petition a tribunal of this State may modify a child support order issued in another state ~~has been~~ that is registered in this State, ~~the responding tribunal of this State may modify that order only if section 576B-613 does not apply and~~ if, after notice and hearing ~~it~~, the tribunal finds that:

- (1) The following requirements are met:
  - (A) ~~The~~ Neither the child, nor the ~~individual~~ obligee, ~~and~~ who is an individual, nor the obligor ~~do not reside~~ resides in the issuing state;
  - (B) A petitioner who is a nonresident of this State seeks modification; and
  - (C) The respondent is subject to the personal jurisdiction of the tribunal of this State; or
- (2) ~~The~~ This State is the residence of the child, or a party who is an individual, is subject to the personal jurisdiction of the tribunal of this State, and all of the parties who are individuals have filed ~~written~~ consents in a record in the issuing tribunal for a tribunal of this State to modify the support order and assume continuing, exclusive jurisdiction ~~over the order. However, if the issuing state is a foreign jurisdiction that has not enacted a law or established procedures substantially similar to the procedures under this chapter, the consent otherwise required of an individual residing in this State is not required for the tribunal to assume jurisdiction to modify the child support order.~~

(b) Modification of a registered child support order is subject to the same requirements, procedures, and defenses that apply to the modification of an order issued by a tribunal of this State and the order may be enforced and satisfied in the same manner.

(c) A tribunal of this State may not modify any aspect of a child support order that may not be modified under the law of the issuing state, including the duration of the obligation of support. If two or more tribunals have issued child support orders for the same obligor and same child, the order that controls and ~~must~~ shall be ~~so~~ recognized under section 576B-207 establishes the aspects of the support order ~~which~~ that are nonmodifiable.

(d) In a proceeding to modify a child support order, the law of the state that is determined to have issued the initial controlling order governs the dura-

tion of the obligation of support. The obligor's fulfillment of the duty of support established by that order shall preclude imposition of a further obligation of support by a tribunal of this State.

~~[(4)]~~ (e) On the issuance of an order by a tribunal of this State modifying a child support order issued in another state, ~~[a] the~~ tribunal of this State becomes the tribunal having continuing, exclusive jurisdiction.

(f) Notwithstanding subsections (a) through (e) and section 576B-201(b), a tribunal of this State retains jurisdiction to modify an order issued by a tribunal of this State if:

- (1) One party resides in another state; and
- (2) The other party resides outside the United States.

**[[§576B-612]] Recognition of order modified in another state.** ~~[A] If a child support order issued by a tribunal of this State [shall recognize a modification of its earlier child support order] is modified by a tribunal of another state [which] that assumed jurisdiction pursuant to [this chapter or a law substantially similar to this chapter and, upon request, except as otherwise provided in this chapter, shall] the Uniform Interstate Family Support Act, a tribunal of this State:~~

- ~~(1) [Enforce the] May enforce its order that was modified only as to [amounts] arrears and interest accruing before the modification;~~
- ~~[(2) Enforce only nonmodifiable aspects of that order;~~
- ~~(3) Provide other] (2) May provide appropriate relief [only] for violations of [that] its order [which] that occurred before the effective date of the modification; and~~
- ~~[(4) Recognize] (3) Shall recognize the modifying order of the other state, upon registration, for the purpose of enforcement.~~

**[[§576B-613]] Jurisdiction to modify child support order of another state when individual parties reside in this State.** (a) If all of the parties who are individuals reside in this State and the child does not reside in the issuing state, a tribunal of this State has jurisdiction to enforce and to modify the issuing state's child support order in a proceeding to register that order.

(b) A tribunal of this State exercising jurisdiction under this section shall apply the provisions of Articles 1 and 2, this article, and the procedural and substantive law of this State to the proceeding for enforcement or modification. Articles 3, 4, 5, 7, and 8 shall not apply.

**[[§576B-614]] Notice to issuing tribunal of modification.** Within thirty days after issuance of a modified child support order, the party obtaining the modification shall file a certified copy of the order with the issuing tribunal that had continuing, exclusive jurisdiction over the earlier order, and in each tribunal in which the party knows the earlier order has been registered. A party who obtains the order and fails to file a certified copy is subject to appropriate sanctions by a tribunal in which the issue of failure to file arises. The failure ~~[does] to file shall~~ not affect the validity or enforceability of the modified order of the new tribunal having continuing, exclusive jurisdiction.

#### **PART IV. REGISTRATION AND MODIFICATION OF FOREIGN CHILD SUPPORT ORDER**

**§576B-615 Jurisdiction to modify child support order of foreign country.**  
(a) Except as otherwise provided in section 576B-711, if a foreign country lacks or refuses to exercise jurisdiction to modify its child support order pursuant

to its laws, a tribunal of this State may assume jurisdiction to modify the child support order and bind all individuals subject to the personal jurisdiction of the tribunal whether the consent to modification of a child support order otherwise required of the individual pursuant to section 576B-611 has been given or whether the individual seeking modification is a resident of this State or the foreign country.

(b) An order issued by a tribunal of this State modifying a foreign child support order pursuant to this section is the controlling order.

**§576B-616 Procedure to register child support order of foreign country for modification.** A party or support enforcement agency seeking to modify, or to modify and enforce, a foreign child support order not under the Convention may register that order in this State under sections 576B-601 through 576B-608 if the order has not been registered. A petition for modification may be filed at the same time as a request for registration, or at another time. The petition shall specify the grounds for modification.

**ARTICLE 7. [DETERMINATION OF PARENTAGE]  
SUPPORT PROCEEDING UNDER CONVENTION**

~~[[§576B-701] Proceeding to determine parentage.~~ (a) A tribunal of this State may serve as an initiating or responding tribunal in a proceeding brought under this chapter or a law or procedure substantially similar to this chapter, the Uniform Reciprocal Enforcement of Support Act, or the Revised Uniform Reciprocal Enforcement of Support Act to determine that the petitioner is a parent of a particular child or to determine that a respondent is a parent of that child.

~~(b) In a proceeding to determine parentage, a responding tribunal of this State shall apply chapter 584 and the rules of this State on choice of law.]~~

**Definitions.** As used in this article unless the context otherwise requires:

“Application” means a request under the Convention by an obligee or obligor, or on behalf of a child, made through a central authority for assistance from another central authority.

“Central authority” means the entity designated by the United States or a foreign country described in paragraph (4) of the definition of “foreign country” in section 576B-102 to perform the functions specified in the Convention.

“Convention support order” means a support order of a tribunal of a foreign country described in paragraph (4) of the definition of “foreign country” in section 576B-102.

“Direct request” means a petition filed by an individual in a tribunal of this State in a proceeding involving an obligee, obligor, or child residing outside the United States.

“Foreign central authority” means the entity designated by a foreign country described in paragraph (4) of the definition of “foreign country” in section 576B-102 to perform the functions specified in the Convention.

“Foreign support agreement”:

- (1) Means an agreement for support in a record that:
  - (A) Is enforceable as a support order in the country of origin;
  - (B) Has been:
    - (i) Formally drawn up or registered as an authentic instrument by a foreign tribunal; or
    - (ii) Authenticated by, or concluded, registered, or filed with a foreign tribunal; and
  - (C) May be reviewed and modified by a foreign tribunal; and

- (2) Includes a maintenance arrangement or authentic instrument under the Convention.

“United States central authority” means the Secretary of the United States Department of Health and Human Services.

**§576B-702 Applicability.** This article applies only to a support proceeding under the Convention. In such a proceeding, if a provision of this article is inconsistent with Articles 1 through 6, this article controls.

**§576B-703 Relationship of support enforcement agency to United States central authority.** The support enforcement agency of this State is recognized as the agency designated by the United States central authority to perform specific functions under the Convention.

**§576B-704 Initiation by support enforcement agency of support proceeding under Convention.** (a) In a support proceeding under this article, the support enforcement agency of this State shall:

- (1) Transmit and receive applications; and
- (2) Initiate or facilitate the institution of a proceeding regarding an application in a tribunal of this State.

(b) The following support proceedings are available to an obligee under the Convention:

- (1) Recognition or recognition and enforcement of a foreign support order;
- (2) Enforcement of a support order issued or recognized in this State;
- (3) Establishment of a support order if there is no existing order, including, if necessary, determination of parentage of a child;
- (4) Establishment of a support order if recognition of a foreign support order is refused under section 576B-708(b)(2), (4), or (9);
- (5) Modification of a support order of a tribunal of this State; and
- (6) Modification of a support order of a tribunal of another state or a foreign country.

(c) The following support proceedings are available under the Convention to an obligor against which there is an existing support order:

- (1) Recognition of an order suspending or limiting enforcement of an existing support order of a tribunal of this State;
- (2) Modification of a support order of a tribunal of this State; and
- (3) Modification of a support order of a tribunal of another state or a foreign country.

(d) A tribunal of this State may not require security, bond, or deposit, however described, to guarantee the payment of costs and expenses in proceedings under the Convention.

**§576B-705 Direct request.** (a) A petitioner may file a direct request seeking establishment or modification of a support order or determination of parentage of a child. In the proceeding, the law of this State applies.

(b) A petitioner may file a direct request seeking recognition and enforcement of a support order or support agreement. In the proceeding, sections 576B-706 through 576B-713 apply.

(c) In a direct request for recognition and enforcement of a Convention support order or foreign support agreement:

- (1) A security, bond, or deposit is not required to guarantee the payment of costs and expenses; and



(2) An obligee or obligor that in the issuing country has benefited from free legal assistance is entitled to benefit, at least to the same extent, from any free legal assistance provided for by the law of this State under the same circumstances.

(d) A petitioner filing a direct request is not entitled to assistance from the child support enforcement agency.

(e) This article does not prevent the application of laws of this State that provide simplified, more expeditious rules regarding a direct request for recognition and enforcement of a foreign support order or foreign support agreement.

**§576B-706 Registration of Convention support order.** (a) Except as otherwise provided in this article, a party who is an individual or a support enforcement agency seeking recognition of a Convention support order shall register the order in this State as provided in Article 6.

(b) Notwithstanding sections 576B-311 and 576B-602(a), a request for registration of a Convention support order shall be accompanied by:

(1) A complete text of the support order or an abstract or extract of the support order drawn up by the issuing foreign tribunal, which may be in the form recommended by the Hague Conference on Private International Law;

(2) A record stating that the support order is enforceable in the issuing country;

(3) If the respondent did not appear and was not represented in the proceedings in the issuing country, a record attesting, as appropriate, either that the respondent had proper notice of the proceedings and an opportunity to be heard or that the respondent had proper notice of the support order and an opportunity to be heard in a challenge or appeal on fact or law before a tribunal;

(4) A record showing the amount of arrears, if any, and the date the amount was calculated;

(5) A record showing a requirement for automatic adjustment of the amount of support, if any, and the information necessary to make the appropriate calculations; and

(6) If necessary, a record showing the extent to which the applicant received free legal assistance in the issuing country.

(c) A request for registration of a Convention support order may seek recognition and partial enforcement of the order.

(d) A tribunal of this State may vacate the registration of a Convention support order without the filing of a contest under section 576B-707 only if, acting on its own motion, the tribunal finds that recognition and enforcement of the order would be manifestly incompatible with public policy.

(e) The tribunal shall promptly notify the parties of the registration or the order vacating the registration of a Convention support order.

**§576B-707 Contest of registered Convention support order.** (a) Except as otherwise provided in this article, sections 576B-605 through 576B-608 apply to a contest of a registered Convention support order.

(b) A party contesting a registered Convention support order shall file a contest not later than thirty days after notice of the registration, but if the contesting party does not reside in the United States, the contest shall be filed not later than sixty days after notice of the registration.

(c) If the nonregistering party fails to contest the registered Convention support order by the time specified in subsection (b), the order is enforceable.

(d) A contest of a registered Convention support order may be based only on grounds set forth in section 576B-708. The contesting party bears the burden of proof.

(e) In a contest of a registered Convention support order, a tribunal of this State:

(1) Is bound by the findings of fact on which the foreign tribunal based its jurisdiction; and

(2) May not review the merits of the order.

(f) A tribunal of this State deciding a contest of a registered Convention support order shall promptly notify the parties of its decision.

(g) A challenge or appeal, if any, does not stay the enforcement of a Convention support order unless there are exceptional circumstances.

**§576B-708 Recognition and enforcement of registered Convention support order.** (a) Except as otherwise provided in subsection (b), a tribunal of this State shall recognize and enforce a registered Convention support order.

(b) The following grounds are the only grounds on which a tribunal of this State may refuse recognition and enforcement of a registered Convention support order:

(1) Recognition and enforcement of the order is manifestly incompatible with public policy, including the failure of the issuing tribunal to observe minimum standards of due process, which include notice and an opportunity to be heard;

(2) The issuing tribunal lacked personal jurisdiction consistent with section 576B-201;

(3) The order is not enforceable in the issuing country;

(4) The order was obtained by fraud in connection with a matter of procedure;

(5) A record transmitted in accordance with section 576B-706 lacks authenticity or integrity;

(6) A proceeding between the same parties and having the same purpose is pending before a tribunal of this State and that proceeding was the first to be filed;

(7) The order is incompatible with a more recent support order involving the same parties and having the same purpose if the more recent support order is entitled to recognition and enforcement under this chapter in this State;

(8) Payment, to the extent alleged arrears have been paid in whole or in part;

(9) In a case in which the respondent neither appeared nor was represented in the proceeding in the issuing foreign country:

(A) If the law of that country provides for prior notice of proceedings, the respondent did not have proper notice of the proceedings and an opportunity to be heard; or

(B) If the law of that country does not provide for prior notice of the proceedings, the respondent did not have proper notice of the order and an opportunity to be heard in a challenge or appeal on fact or law before a tribunal; or

(10) The order was made in violation of section 576B-711.

(c) If a tribunal of this State does not recognize a Convention support order under subsection (b)(2), (4), or (9):

(1) The tribunal may not dismiss the proceeding without allowing a reasonable time for a party to request the establishment of a new Convention support order; and

- (2) The support enforcement agency shall take all appropriate measures to request a child support order for the obligee if the application for recognition and enforcement was received under section 576B-704.

**§576B-709 Partial enforcement.** If a tribunal of this State does not recognize and enforce a Convention support order in its entirety, it shall enforce any severable part of the order. An application or direct request may seek recognition and partial enforcement of a Convention support order.

**§576B-710 Foreign support agreement.** (a) Except as otherwise provided in subsections (c) and (d), a tribunal of this State shall recognize and enforce a foreign support agreement registered in this State.

(b) An application or direct request for recognition and enforcement of a foreign support agreement shall be accompanied by:

- (1) A complete text of the foreign support agreement; and  
(2) A record stating that the foreign support agreement is enforceable as an order of support in the issuing country.

(c) A tribunal of this State may vacate the registration of a foreign support agreement only if, acting on its own motion, the tribunal finds that recognition and enforcement would be manifestly incompatible with public policy.

(d) In a contest of a foreign support agreement, a tribunal of this State may refuse recognition and enforcement of the agreement if it finds:

- (1) Recognition and enforcement of the agreement is manifestly incompatible with public policy;  
(2) The agreement was obtained by fraud or falsification;  
(3) The agreement is incompatible with a support order involving the same parties and having the same purpose in this State, another state, or a foreign country if the support order is entitled to recognition and enforcement under this chapter in this State; or  
(4) The record submitted under subsection (b) lacks authenticity or integrity.

(e) A proceeding for recognition and enforcement of a foreign support agreement shall be suspended during the pendency of a challenge to or appeal of the agreement before a tribunal of another state or a foreign country.

**§576B-711 Modification of Convention child support order.** (a) A tribunal of this State may not modify a Convention child support order if the obligee remains a resident of the foreign country where the support order was issued unless:

- (1) The obligee submits to the jurisdiction of a tribunal of this State, either expressly or by defending on the merits of the case without objecting to the jurisdiction at the first available opportunity; or  
(2) The foreign tribunal lacks or refuses to exercise jurisdiction to modify its support order or issue a new support order.

(b) If a tribunal of this State does not modify a Convention child support order because the order is not recognized in this State, section 576B-708(c) applies.

**§576B-712 Personal information; limit on use.** Personal information gathered or transmitted under this article may be used only for the purposes for which it was gathered or transmitted.

**§576B-713 Record in original language; English translation.** A record filed with a tribunal of this State under this article shall be in the original language and, if not in English, shall be accompanied by an English translation.

## ARTICLE 8. INTERSTATE RENDITION

**[[§576B-801]] Grounds for rendition.** (a) For purposes of this article, “governor” includes an individual performing the functions of governor or the executive authority of a state covered by this chapter.

(b) The governor of this State may:

- (1) Demand that the governor of another state surrender an individual found in the other state who is charged criminally in this State with having failed to provide for the support of an obligee; or
- (2) On the demand [by] of the governor of another state, surrender an individual found in this State who is charged criminally in the other state with having failed to provide for the support of an obligee.

(c) A provision for extradition of individuals not inconsistent with this chapter applies to the demand even if the individual whose surrender is demanded was not in the demanding state when the crime was allegedly committed and has not fled therefrom.

**[[§576B-802]] Conditions of rendition.** (a) Before making a demand that the governor of another state surrender an individual charged criminally in this State with having failed to provide for the support of an obligee, the governor of this State may require a prosecutor of this State to demonstrate that at least sixty days previously the obligee had initiated proceedings for support pursuant to this chapter or that the proceeding would be of no avail.

(b) If, under this chapter or a law substantially similar to this chapter, [~~the Uniform Reciprocal Enforcement of Support Act, or the Revised Uniform Reciprocal Enforcement of Support Act,~~] the governor of another state makes a demand that the governor of this State surrender an individual charged criminally in that state with having failed to provide for the support of a child or other individual to whom a duty of support is owed, the governor may require a prosecutor to investigate the demand and report whether a proceeding for support has been initiated or would be effective. If it appears that a proceeding would be effective but has not been initiated, the governor may delay honoring the demand for a reasonable time to permit the initiation of a proceeding.

(c) If a proceeding for support has been initiated and the individual whose rendition is demanded prevails, the governor may decline to honor the demand. If the petitioner prevails and the individual whose rendition is demanded is subject to a support order, the governor may decline to honor the demand if the individual is complying with the support order.

## ARTICLE 9. MISCELLANEOUS PROVISIONS

**[[§576B-901]] Uniformity of application and construction.** [~~This chapter shall be applied and construed to effectuate its general purpose to make uniform~~] In applying and construing this uniform act, consideration shall be given to the need to promote uniformity of the law with respect to [the] its subject [of this chapter] matter among states [enacting] that enact it.

**[[§576B-902]] Short title.** This chapter may be cited as the Uniform Interstate Family Support Act. **Transitional provision.** This chapter applies to proceedings begun on or after the effective date of this chapter to establish a

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support order or determine parentage of a child or to register, recognize, enforce, or modify a prior support order, determination, or agreement, whenever issued or entered.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 2015.

(Approved June 3, 2015.)

**Note**

1. So in original.

**ACT 78**

S.B. NO. 654

A Bill for an Act Relating to Campaigns.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 11-353, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

“(d) This section shall not apply to amounts that aggregate to less than [~~\$500~~] \$100 that are received from ten or more persons at the same political function. The receipt of these contributions shall be disclosed in a report filed pursuant to sections 11-333 and 11-335.”

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on January 1, 2016.

(Approved June 3, 2015.)

**ACT 79**

S.B. NO. 508

A Bill for an Act Relating to Campaign Finance.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 11-336, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The filing dates for preliminary reports are:

- (1) Ten calendar days prior to a primary, special, or nonpartisan election; [~~and~~]
- (2) Ten calendar days prior to a general election[~~;~~]; and
- (3) October 1 of the year of a general election.

Each preliminary report shall be current through the fifth calendar day prior to the filing of the report.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 2015.  
(Approved June 3, 2015.)

## ACT 80

S.B. NO. 148

A Bill for an Act Relating to Nuisance Abatement.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that part V of chapter 712, Hawaii Revised Statutes, authorizes civil lawsuits to abate criminal offenses relating to prostitution or the display of indecent matter, illegal manufacture or distribution of drugs, and certain fireworks offenses, which include every category of offenses against public health and morals included under chapter 712, Hawaii Revised Statutes, except gambling offenses under part III of that chapter. The legislature further finds that illegal gambling often attracts activity that involves physical violence and the distribution of narcotics and is therefore an appropriate subject of nuisance abatement. Further, the addition of gambling offenses to the nuisance abatement laws will authorize law enforcement to pursue civil remedies to bolster enforcement of the criminal gambling prohibitions found in part III of chapter 712, Hawaii Revised Statutes.

The purpose of this Act is to promote the prosecution of gambling offenses through their inclusion in the nuisance abatement laws.

SECTION 2. Section 712-1270, Hawaii Revised Statutes, is amended to read as follows:

**“§712-1270 Places used to commit offenses against public health and morals, a nuisance.** Every building, premises, or place used for the purpose of violating:

- (1) Those laws pertaining to offenses against public health and morals contained in ~~[parts I, II, and IV of]~~ this chapter, except offenses under part IV ~~[which]~~ that do not involve the manufacture or distribution of drugs~~;~~ and activities under part III that involve only social gambling as defined in section 712-1231(a); or

(2) Section 132D-14(a)(1) or (3),  
and every building, premises, or place in or upon which ~~[the]~~ violations of any of the laws set forth in paragraph (1) or (2) are held or occur ~~[in parts I, II, and IV, or section 132D-14(a)(1) or (3)]~~, is a nuisance that shall be enjoined, abated, and prevented, regardless of whether it is a public or private nuisance.”

SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.  
(Approved June 3, 2015.)

A Bill for an Act Making a Grant to the Hawaii County Office of the Prosecuting Attorney.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000 or so much thereof as may be necessary for fiscal year 2015-2016 as a grant-in-aid for the county of Hawaii office of the prosecuting attorney career criminal prosecution unit and victim witness assistance program, including the hiring of necessary staff.

The sum appropriated shall be expended by the county of Hawaii, office of the prosecuting attorney for the purposes of this Act.

SECTION 2. This Act shall take effect on July 1, 2015.

(Approved June 3, 2015.)

A Bill For an Act Relating to Appropriations to the Department of the Prosecuting Attorney of the City and County of Honolulu.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000 or so much thereof as may be necessary for fiscal year 2015-2016 for a grant-in-aid to the department of the prosecuting attorney of the city and county of Honolulu for the career criminal prosecution unit and victim witness assistance program, including the hiring of necessary staff.

SECTION 2. The sum appropriated by this Act shall be expended by the department of the prosecuting attorney of the city and county of Honolulu for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2015.

(Approved June 3, 2015.)

A Bill for an Act Making Appropriations to the County of Kauai Office of the Prosecuting Attorney.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. There is appropriated out of the general revenues of the State of Hawaii the sum of \$50,000 or so much thereof as may be necessary for fiscal year 2015-2016 for a grant-in-aid to the county of Kauai, office of the prosecuting attorney, for the career criminal prosecution unit and victim witness assistance program, including for the hiring of necessary staff.

SECTION 2. The sum appropriated shall be expended by the county of Kauai, office of the prosecuting attorney, for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2015.

(Approved June 3, 2015.)

**ACT 84**

S.B. NO. 1299

A Bill for an Act Relating to Disposition of Tax Revenues.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that budgetary planning and transparency are key components to ensuring the ongoing fiscal health of the State.

By establishing maximum amounts for distribution among the non-general funds, the legislature intends that this Act:

- (1) Make forecasts of general fund revenues more reliable;
- (2) Increase legislative oversight of the agencies and programs supported by the non-general funds; and
- (3) Subject those agencies and programs to competition for limited public funds if the agencies or programs want more than the amount automatically distributed to their non-general funds.

The purpose of this Act is to address budgetary planning and transparency in the disposition of conveyance tax revenues by:

- (1) Setting maximum amounts to be distributed to various non-general funds from the conveyance tax; and
- (2) Appropriating general funds to provide continued support of programs either similar to or previously supported by distributions to the natural area reserve fund and its associated programs from conveyance tax revenues.

SECTION 2. Section 195F-4, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) There is established a special fund within the state treasury known as the forest stewardship fund which shall be used as follows:

- (1) Payments shall be made by the board pursuant to agreements entered into with qualified landowners to further the purposes of this chapter; and
- (2) Moneys collected from:
  - (A) The harvest of non-native forest products from forest reserves;
  - (B) The harvest of native forest products from degraded forests as defined in section 186-5.5, within forest reserves;
  - (C) The sale of forest products found dead and lying on the ground;
  - (D) The sale of tree seedlings from state nurseries;
  - (E) The sale of any other products or services, or anything of value derived from forest reserves not described above; or
  - (F) The imposition of fines or penalties for violations of this chapter and chapters 183 and 185 or any rule adopted thereunder; shall be used for: (i) replanting, managing, and maintaining designated timber management areas; (ii) enhancing the management of public forest reserves with an emphasis on restoring degraded koa forests; and (iii) developing environmental education and training



programs pertaining to sustainable forestry; provided that the activities described in clauses (ii) and (iii) may not be funded unless the activities described in approved management plans pertaining to clause (i) are adequately funded]; and

- (3) ~~Moneys deposited into the fund as authorized by section 247-7 may also be used by the department to administer the program and manage the forest reserve system].”~~

SECTION 3. Section 247-7, Hawaii Revised Statutes, is amended to read as follows:

“**§247-7 Disposition of taxes.** All taxes collected under this chapter shall be paid into the state treasury to the credit of the general fund of the State, to be used and expended for the purposes for which the general fund was created and exists by law; provided that of the taxes collected each fiscal year:

- (1) Ten per cent or \$6,800,000, whichever is less, shall be paid into the land conservation fund established pursuant to section 173A-5; and
- (2) ~~[Twenty five per cent from July 1, 2009, until June 30, 2012; thirty per cent from July 1, 2012, until June 30, 2014; and fifty]~~ Fifty per cent [in each fiscal year thereafter] or \$38,000,000, whichever is less, shall be paid into the rental housing trust fund established by section 201H-202]; and
- (3) ~~Twenty per cent from July 1, 2009, until June 30, 2012, and twenty five per cent in each fiscal year thereafter shall be paid into the natural area reserve fund established by section 195-9; provided that the funds paid into the natural area reserve fund shall be annually disbursed by the department of land and natural resources in the following priority:~~
  - (A) ~~To natural area partnership and forest stewardship programs after joint consultation with the forest stewardship committee and the natural area reserves system commission;~~
  - (B) ~~Projects undertaken in accordance with watershed management plans pursuant to section 171-58 or watershed management plans negotiated with private landowners, and management of the natural area reserves system pursuant to section 195-3; and~~
  - (C) ~~The youth conservation corps established under chapter 193].”~~

SECTION 4. All remaining moneys deposited into the forest stewardship fund, established pursuant to section 195F-4, Hawaii Revised Statutes, in accordance with section 247-7, Hawaii Revised Statutes, as of the effective date of this Act, may continue to be used for the administration of forest stewardship programs and the management of the forest reserve system.

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$7,556,128 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 to fund positions and other operating expenditures in natural area reserves and watershed management (LNR407); provided that funds appropriated in this section may be transferred with the approval of the governor to natural area reserves and watershed management (LNR407) in the General Appropriations Act of 2015 (House Bill No. 500, H.D. 1, S.D. 1, C.D. 1)<sup>1</sup> for expenditure. The appropriations of this section shall be expended for the following:

- (1) Natural area partnership and forest stewardship programs after joint consultation with the forest stewardship committee and the natural area reserves system commission;
- (2) Projects undertaken in accordance with watershed management plans pursuant to section 171-58, Hawaii Revised Statutes, or watershed management plans negotiated with private landowners, and management of the natural area reserves system pursuant to section 195-3, Hawaii Revised Statutes; and
- (3) The youth conservation corps established under chapter 193, Hawaii Revised Statutes.

The sums appropriated shall be expended by the department of land and natural resources for the purposes of this Act.

SECTION 6. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2,832,996 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 to fund positions and other operating expenditures in forestry - resource management and development (LNR172) for forest reserve management, natural area partnership, and forest stewardship programs after joint consultation with the forest stewardship committee and the natural area reserves system commission; provided that funds appropriated in this section may be transferred with the approval of the governor to forestry - resource management and development (LNR172) in the General Appropriations Act of 2015 (House Bill No. 500, H.D. 1, S.D. 1, C.D. 1)<sup>1</sup> for expenditure.

The sums appropriated shall be expended by the department of land and natural resources for the purposes of this Act.

SECTION 7. There is appropriated out of the general revenues of the State of Hawaii the sum of \$3,405,749 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 to fund positions and other operating expenditures in the native resources and fire protection program (LNR402) for endangered species, watershed, and fire protection; provided that funds appropriated in this section may be transferred with the approval of the governor to the native resources and fire protection program (LNR402) in the General Appropriations Act of 2015 (House Bill No. 500, H.D. 1, S.D. 1, C.D. 1)<sup>1</sup> for expenditure.

The sums appropriated shall be expended by the department of land and natural resources for the purposes of this Act.

SECTION 8. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,500,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 for the native resources and fire protection program (LNR402) for fire, natural disaster, and emergency response equipment and other current expenses of the native resources and fire protection program.

The sums appropriated shall be expended by the department of land and natural resources for the purposes of this Act.

SECTION 9. There is appropriated out of the general revenues of the State of Hawaii the sum of \$4,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 for the native resources and fire protection program (LNR402) to be expended as directed by the Hawaii invasive species council for invasive species programs statewide; provided that portions of this

appropriation may be transferred to other state departments to implement the directions of the invasive species council.

The sums appropriated shall be expended by the department of land and natural resources for the purposes of this Act.

SECTION 10. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 for LNR - natural and physical environment (LNR906) for the Kahoolawe island reserve commission.

The sums appropriated shall be expended by the department of land and natural resources for the purposes of this Act.

SECTION 11. There is appropriated out of the general revenues of the State of Hawaii the sum of \$101,715 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 to fund positions and other expenditures in LNR – natural and physical environment (LNR906) for administrative operating expenses; provided that funds appropriated in this section may be transferred with the approval of the governor to LNR - natural and physical environment (LNR906) in the General Appropriations Act of 2015 (House Bill No. 500, H.D. 1, S.D. 1, C.D. 1)<sup>1</sup> for expenditure.

The sums appropriated shall be expended by the department of land and natural resources for the purposes of this Act.

SECTION 12. There is appropriated out of the general revenues of the State of Hawaii the sum of \$350,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 for the funding of soil and water conservation districts in water and land development (LNR141).

The sums appropriated shall be expended by the department of land and natural resources for the purposes of this Act.

SECTION 13. There is appropriated out of the general revenues of the State of Hawaii the sum of \$76,260 or so much thereof as may be necessary for fiscal year 2015-2016 and the sum of \$152,520 or so much thereof as may be necessary for fiscal year 2016-2017 for the funding of the following positions to support the implementation of the Hawaii ocean resources management plan in ecosystem protection and restoration (LNR401):

Position	Six-Month Salary Fiscal Year 2015-16	Twelve-Month Salary Fiscal Year 2016-17
1.0 FTE planner IV	\$23,700	\$47,400
1.0 FTE program specialist IV	\$23,700	\$47,400
1.0 FTE program specialist VI	\$28,860	\$57,720

The sums appropriated shall be expended by the department of land and natural resources for the purposes of this Act.

SECTION 14. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 15. This Act shall take effect on July 1, 2015.

(Approved June 3, 2015.)

**Note**

1. Act 119.

## ACT 85

S.B. NO. 1087

A Bill for an Act Relating to the Employees' Retirement System.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 88-96, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Any member who ceases to be an employee and who became a member before July 1, 2012, and has fewer than five years of credited service, excluding unused sick leave, or who becomes a member after June 30, 2012, and has fewer than ten years of credited service, excluding sick leave, shall, upon application to the board, be paid all of the member's accumulated contributions and the member's membership shall thereupon terminate and all credited service shall be forfeited; provided that a member shall not be paid the member's accumulated contributions:

- (1) If the member becomes an employee again within fifteen calendar days from the date the member ceased to be an employee; or
- (2) If, at the time the application for return of accumulated contributions is received by the board, the member has become an employee again.

Regular interest shall be credited to the former employee's account until the former employee's accumulated contributions are returned to the former employee; provided that the former employee's membership shall not continue after the fourth full year following the calendar year in which the individual's employment terminates. Upon termination of the former employee's membership, the former employee's credited service shall be forfeited and, if the former employee's accumulated contributions are \$1,000 or less at the time of distribution, the system shall return the former employee's contributions to the former employee. If the former employee does not become an employee again and if the former employee's accumulated contributions have not been withdrawn by the former employee or previously returned by the system to the former employee, the system shall return the former employee's accumulated contributions to the former employee as soon as possible after the later of: (A) the former employee [attains] attaining age sixty-two[-]; or (B) the termination of the former employee's membership."

SECTION 2. Section 88-341, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

"(a) Any class H member who ceases to be an employee and who became a member before July 1, 2012, and has fewer than five years of credited service, excluding unused sick leave, or who becomes a member after June 30, 2012, and has fewer than ten years of credited service, excluding unused sick leave, shall, upon application to the board, be paid all of the former employee's accumulated contributions, and the former employee's membership shall thereupon terminate and all credited service shall be forfeited; provided that an individual shall not be paid the individual's accumulated contributions if either:

- (1) The individual becomes an employee again within fifteen calendar days from the date the individual ceased to be an employee; or
- (2) At the time the application for return of accumulated contributions is received by the board, the individual has become an employee again.

Regular interest shall be credited to the former employee's account until the former employee's accumulated contributions are withdrawn; provided that the former employee's membership shall not continue after the fourth full year following the calendar year in which the individual's employment terminates. If the former employee does not become an employee again and has not withdrawn the former employee's accumulated contributions, the system shall return the former employee's accumulated contributions to the former employee as soon as possible after the later of: (A) the former employee [attains] attaining age sixty-two[-]; or (B) the termination of the former employee's membership."

2. By amending subsection (c) to read:

"(c) In case of the death after the termination of service and prior to retirement of any former class H member who has not withdrawn the member's contributions, there shall be paid to the former member's estate or to the person [as] that the former member has nominated by written designation duly executed and filed with the board [~~if either~~]:

- (1) The former [member had less than five years of credited service at the time of death, the former] member's accumulated contributions[-; or], if the former member became a member before July 1, 2015, and had fewer than five years of credited service at the time of death or if the former member became a member after June 30, 2015, and had fewer than ten years of credited service at the time of death; or
- (2) The former [member had five or more years of credited service at the time of death, the former] member's hypothetical account balance[-], if the former member became a member before July 1, 2015, and had five or more years of credited service at the time of death or if the former member became a member after June 30, 2015, and had ten or more years of credited service at the time of death."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved June 5, 2015.)

**ACT 86**

S.B. NO. 1089

A Bill for an Act Relating to the Employees' Retirement System.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to provide the employees' retirement system with the means to improve and protect its funded status by properly funding membership service credit for contributory and hybrid members receiving workers' compensation benefits and acquiring retirement service credit.

Employees approved for workers' compensation wage loss replacement benefits are paid up to their full salary for the period of their leave. In contrast to other types of leaves, the employee will earn full retirement service credit for this period, and contributory and hybrid employees have the option, but are not required, to deduct retirement contributions for these wage replacement benefits. If paid, these deficient contributions may be reimbursed by the employee years after the service credit is granted. Similarly, earned membership service is supported by employee and employer contributions during the employee's employ-

ment, but acquired service is not. Previously forfeited service may be acquired at any time during the employee's employment at a cost based on the employee's salary at the time of purchase. Previous military service may be acquired at any time after the member meets the eligibility requirements, at a cost based on the employee's salary at the time of purchase. The employee's acquisition cost is significantly lower than the actuarial cost based on the employee's age, retirement eligibility, and projected retirement benefits. Thus, the employee's increased retirement benefit resulting from additional service acquired is funded primarily by employer contributions and by contributions by other current and future employees.

The purpose of this Act is to require that contributions be made contemporaneously with the payment of workers' compensation benefits. In addition, this Act requires that the cost for purchasing additional service credit be based on an actuarially neutral calculation and sets a time limit in which the member must initiate payment for certified membership service.

SECTION 2. Chapter 88, Hawaii Revised Statutes, is amended by adding a new section to subpart A of part II to be appropriately designated and to read as follows:

**"§88- Contributions for unpaid leaves of absence.** Contributions required as a condition to inclusion in membership service of unpaid leaves of absence shall be made by the member within one year after return from the leave of absence."

SECTION 3. Section 78-25, Hawaii Revised Statutes, is amended by amending the title and subsection (a) to read as follows:

**"[§78-25] Credits for employees receiving workers' compensation benefits; wage supplement.** (a) Where an employee is absent from work because of injuries incurred within the scope of the employee's employment and the employee is receiving workers' compensation benefits, the employee shall continue to earn vacation, sick leave, and retirement credits as though the employee were not absent but performing duties of the employee's regular employment. Section 386-57 or any other law to the contrary notwithstanding, the employee ~~may elect to~~ shall have deducted from the employee's workers' compensation benefit checks an amount calculated in the same manner as if the employee were not absent but performing duties of the employee's regular employment to be used as the employee's contribution to the retirement system."

SECTION 4. Section 88-59, Hawaii Revised Statutes, is amended to read as follows:

**"§88-59 Acquisition of membership service.** (a) Under rules as the board may adopt, any member may file with the ~~board~~ system a statement of all service as an employee or other service paid for by the State or a county rendered prior to the member's last becoming a member that is not credited to the member, for which the member claims prior service credit, and also a statement of the services for which the member claims membership service credit and for which the member agrees to have additional deductions made from the member's compensation or to make a lump sum payment as described in this section.

(b) After the filing of the statement, the board shall verify the service claimed and determine the service credit allowable. Verified prior service shall be

credited. Verified membership service shall be paid for by the member in any one of the following methods, at the member's option:

- (1) If deductions commence or the lump sum payment is made prior to July 1, 2020:
  - ~~[(+)]~~ (A) By deductions from the member's compensation pursuant to Section 414(h)(2) of the Internal Revenue Code of 1986, as amended, under the employer pick up plan under section 88-46. An irrevocable payroll authorization filed by the member for a period not to exceed sixty months shall remain in effect until the completion of the payroll payments or termination of employment, whichever is earlier. The member may elect to have:
    - ~~[(A)]~~ (i) Deductions from the member's compensation of twice the contribution rate provided for in section 88-45 over a period equal to the period for which membership service credit is allowable not to exceed sixty months; or
    - ~~[(B)]~~ (ii) Deductions from the member's compensation of one and one-half times the contribution rate provided for in section 88-45 over a period equal to twice the period for which membership service credit is allowable not to exceed sixty months; or
  - (+2) (B) By lump sum payment of contributions computed at the contribution rate provided for in section 88-45 applied to the member's monthly rate of compensation at the time of payment multiplied by the number of months for which membership service credit is allowable; provided that after July 1, 1982, this method shall not be available to any new member with fewer than five years of membership service exclusive of any previous service acquired under ~~[paragraph (1)-]~~ subparagraph (A).
- (2) If the deductions commence or the lump sum payment is made after June 30, 2020:
  - (A) By deductions from the member's compensation pursuant to section 414(h)(2) of the Internal Revenue Code of 1986, as amended, under the employer pick up plan under section 88-46. An irrevocable payroll authorization filed by the member for a period not to exceed sixty months shall remain in effect until the completion of the payroll payments or termination of employment, whichever is earlier. The amount of the deductions shall be sufficient to amortize the actuarial cost of the membership service to be credited, together with interest at the investment yield rate assumption in effect as of the date the claim for service credit is made, in level twice-monthly payments over the period specified in the irrevocable authorization. Service credited shall be proportional on the basis of whole months. For example, if a member elects to acquire twenty-four months of service over sixty months and terminates employment after thirty and one-half months of deductions, the member will acquire twelve months of membership service credit; or
  - (B) By lump sum payment equal to the actuarial cost of the membership service to be credited; provided that the member has at least five years of membership exclusive of any previous service acquired under paragraph (1) or subparagraph (A).

The actuarial cost of the membership service to be credited shall be determined by the actuary for the system based on the age of the member in full years as of the date the claim for service credit is made, the investment yield rate assumption in effect as of the date the claim for service credit is made, the retirement age eligibility requirements and retirement allowance provisions applicable to the member, and other actuarial assumptions adopted by the board in effect as of the date the claim for service credit is made.

The deductions from compensation or lump sum payment shall be paid to the system and shall be credited to the member's individual account and become part of the member's accumulated contributions.

(c) Membership service credit, in addition to any other service credited to the member, shall be allowed for the period for which the deductions from compensation or lump sum payment have been made as described in this section[-]; provided that payment shall commence within one year after the system notifies the member that the service claimed has been verified and that service credit is allowable; provided further that, for a member who becomes a member after June 30, 2016:

- (1) Membership service credit for prior service or for service rendered prior to the member's last becoming a member shall be claimed within one year after the member enters service;
- (2) Membership service credit for military service pursuant to section 88-132.5 shall be claimed within one year after the member meets the requirements of section 88-132.5(a) or (b); and
- (3) Any other membership service credit acquired pursuant to this section shall be claimed within one year after the member becomes eligible to receive the service credit upon satisfaction of the requirements of this section.

(d) The contribution rates under section 88-45 shall be reduced by one and eight-tenths per cent for any service being claimed prior to July 1, 2020, that was rendered prior to July 1, 1961."

SECTION 5. Section 88-324, Hawaii Revised Statutes, is amended by amending subsections (b) and (c) to read as follows:

"(b) Except as otherwise provided in subsection (c), (d), or (e), verified membership service shall be paid for in any one of the following methods, at the member's option:

- (1) If deductions commence or the lump sum payment is made prior to July 1, 2020:

- [(4)] (A) By deductions from the member's compensation pursuant to section 414(h)(2) of the Internal Revenue Code of 1986, as amended, under the employer pick up plan under section 88-326. An irrevocable payroll authorization filed by the member for a period not to exceed sixty months shall remain in effect until the completion of the payroll payments or termination of employment, whichever is earlier. The amount of service credit that may be acquired pursuant to this method shall not exceed the period over which the payroll payments are made. The member may elect to have:

- [(A)] (i) Deductions from the member's compensation of twice the contribution rate provided for in section 88-325 over a period equal to the period for which membership service credit is allowable not to exceed sixty months; or



- ~~[(B)]~~ (ii) Deductions from the member's compensation of one and one-half times the contribution rate provided for in section 88-325 over a period equal to twice the period for which membership service credit is allowable, not to exceed sixty months; or
- ~~[(2)]~~ (B) By lump sum payment of contributions computed at the contribution rate provided for in section 88-325 applied to the member's monthly rate of compensation at the time of payment multiplied by the number of months for which membership service credit is allowable.
- (2) If the deductions commence or the lump sum payment is made after June 30, 2020:
  - (A) By deductions from the member's compensation pursuant to section 414(h)(2) of the Internal Revenue Code of 1986, as amended, under the employer pick up plan under section 88-326. An irrevocable payroll authorization filed by the member for a period not to exceed sixty months shall remain in effect until the completion of the payroll payments or termination of employment, whichever is earlier. The amount of the deductions shall be sufficient to amortize the actuarial cost of the membership service to be credited, together with interest at the investment yield rate assumption in effect as of the date the claim for service credit is made, in level twice-monthly payments over the period specified in the irrevocable authorization. Service credited shall be proportional on the basis of whole months. For example, if a member elects to acquire twenty-four months of service over sixty months and terminates employment after thirty and one-half months of deductions, the member will acquire twelve months of membership service credit; or
  - (B) By lump sum payment equal to the actuarial cost of the membership service to be credited; provided that the member has at least five years of membership exclusive of any previous service acquired under paragraph (1) or subparagraph (A).

The actuarial cost of the membership service to be credited shall be determined by the actuary for the system based on the age of the member in full years as of the date the claim for service credit is made, the investment yield rate assumption in effect as of the date the claim for service credit is made, the retirement age eligibility requirements and retirement allowance provisions applicable to the member, and other actuarial assumptions adopted by the board in effect as of the date the claim for service is made.

The deductions from compensation or lump sum payment shall be paid to the system and shall be credited to the member's individual account and become part of the member's accumulated contributions.

Class H membership service credit in addition to any other service credited to the member shall be allowed for the period for which the deductions from compensation or lump sum payment have been made in accordance with this subsection[-]; provided that payment shall commence within one year after the system notifies the member that the service claimed has been verified and that service credit is allowable; provided further that, for a member who becomes a member after June 30, 2016; membership service credit for prior service or for service rendered prior to the member's last becoming a member shall be claimed within one year after the member enters service; membership service credit for

military service pursuant to section 88-132.5 shall be claimed within one year after the member meets the requirements of section 88-132.5(a) or (b); and any other membership service credit acquired pursuant to this section shall be claimed within one year after the member becomes eligible to receive the service credit upon satisfaction of the requirements of this section.

(c) Verified membership service for which a former class A or class B member in service on June 30, 2006, was eligible as of June 30, 2006, but failed to claim by the date established by the board pursuant to section 88-322(b), shall be paid for in any one of the following methods, at the member's option:

(1) If deductions commence or the lump sum payment is made prior to July 1, 2020:

[(+) (A)] (A) By deductions from the member's compensation pursuant to section 414(h)(2) of the Internal Revenue Code of 1986, as amended, under the employer pick up plan under section 88-326. An irrevocable payroll authorization filed by the member for a period not to exceed sixty months shall remain in effect until the completion of the payroll payments or termination of employment, whichever is earlier. The amount of service credit that may be acquired pursuant to this method shall not exceed the period over which the payroll payments are made. The member may elect to have:

[(A)] (i) Deductions from the member's compensation of twice the contribution rate applicable to the member under section 88-45 as of June 30, 2006, over a period equal to the period for which membership service credit is allowable, not to exceed sixty months; or

[(B)] (ii) Deductions from the member's compensation of one and one-half times the contribution rate applicable to the member under section 88-45 as of June 30, 2006, over a period equal to twice the period for which membership service credit is allowable, not to exceed sixty months; or

[(2)] (B) By lump sum payment of contributions computed at the contribution rate applicable to the member under section 88-45 as of June 30, 2006, applied to the member's monthly rate of compensation at the time of payment, multiplied by the number of months for which membership service credit is allowable.

(2) If the deductions commence or the lump sum payment is made after June 30, 2020:

(A) By deductions from the member's compensation pursuant to section 414(h)(2) of the Internal Revenue Code of 1986, as amended, under the employer pick up plan under section 88-46. An irrevocable payroll authorization filed by the member for a period not to exceed sixty months shall remain in effect until the completion of the payroll payments or termination of employment, whichever is earlier. The amount of the deductions shall be sufficient to amortize the actuarial cost of the membership service to be credited, together with interest at the investment yield rate assumption in effect as of the date the claim for service credit is made, in level twice-monthly payments over the period specified in the irrevocable authorization. Service credited shall be proportional on the basis of whole months. For example, if a member elects to acquire twenty-four months over sixty months and terminates employment

after thirty and one-half months of deductions, the member will acquire twelve months of membership service credit; or  
 (B) By lump sum payment equal to the actuarial cost of the membership service to be credited; provided that the member has at least five years of membership exclusive of any previous service acquired under paragraph (1) or subparagraph (A).

The actuarial cost of the membership service to be credited shall be determined by the actuary for the system based on the age of the member in full years as of the date the claim for service credit is made, the investment yield rate assumption in effect as of the date the claim for service credit is made, the retirement age eligibility requirements and retirement allowance provisions applicable to the member, and other actuarial assumptions adopted by the board in effect as of the date the claim for service is made.

The deductions from compensation or lump sum payment shall be paid to the system and shall be credited to the member's individual account and become part of the member's accumulated contributions.

Class H membership service credit in addition to any other service credited to the member shall be allowed for the period for which the deductions from compensation or lump sum payment have been made in accordance with this subsection[-]; provided that payment shall commence within one year after the system notifies the member that the service claimed has been verified and that service credit is allowable; and provided further that, for a member who becomes a member after June 30, 2016: membership service credit for prior service or for service rendered prior to the member's last becoming a member shall be claimed within one year after the member enters service; membership service credit for military service pursuant to section 88-132.5 shall be claimed within one year after the member meets the requirements of section 88-132.5(a); and any other membership service credit acquired pursuant to this section shall be claimed within one year after the member becomes eligible to receive the service credit upon satisfaction of the requirements of this section."

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

SECTION 7. This Act shall take effect upon its approval.  
 (Approved June 5, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 87**

S.B. NO. 1090

A Bill for an Act Relating to the Employees' Retirement System.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 88-103.7, Hawaii Revised Statutes, is amended to read as follows:

**“[H]§88-103.7[H] Information from the State and counties. (a)** To fulfill its responsibilities under this chapter, the system ~~[may]~~ shall require any department

or agency of the State or counties to furnish information to the system to carry out the purposes of this chapter. The system ~~may~~ shall specify the format in which the information shall be furnished. Without limitation of the foregoing, the system ~~may~~ shall require that information be furnished in electronic format and that information with respect to payroll and personnel transactions:

- (1) Allocate payments, including bonuses, salary adjustments, payments for compensatory time, and workers' compensation, to monthly or other periods as requested by the system; ~~and~~
- (2) Specify the purpose or nature of the payment~~[-]; and~~
- (3) Indicate any changes or errors in payments that require correcting or updating.

(b) All departments and agencies of the State or counties shall furnish the information required by the system pursuant to this section in the format required by the system. The system shall notify each department or agency of the State or counties that is required to furnish information to the system of any change in the required format for the information. Each department or agency shall have one hundred eighty days from the date of the receipt of the notice of a change in the required format to update the format in which the required information is provided to the system.

(c) If a department or agency of the State or county fails to furnish the system with the information required pursuant to this section in the format required by the system, the State or county shall pay to the system, on the first day of the fiscal year following the fiscal year in which the failure to furnish the required information occurred, an amount equal to the employer contributions payable by the State or county, relative to the department or agency that is not in compliance with this section, during the fiscal year in which the failure to furnish the required information occurred. This amount shall be applied to contributions required under section 88-124 for the State and section 88-126 for the counties.

(d) If full payment of the amount required under subsection (c) is not made by the State or county on the first day of the fiscal year, then:

- (1) Any unpaid amounts shall bear interest at the rate equal to the investment yield rate assumption in effect for actuarial valuations of the system; and
- (2) Any payments received by the system for the State or county, except for payments made pursuant to sections 88-46, 88-100, and 88-326, shall be applied first to accrued interest and then to the amount required to be paid under subsection (c).

(e) The system may waive the requirements of subsections (c) and (d) if the system determines, in its sole discretion, that the failure by the department or agency to furnish the required information in the required format is the result of an unforeseen system failure, natural disaster, or other unforeseen event.

(f) The system shall annually submit to the department of budget and finance and the legislature, not later than twenty days prior to the convening of each regular session, a report that details the following for the current fiscal year:

- (1) Any department or agency of the state or counties that failed to comply with this section; and
- (2) Any amounts required to be paid under subsection (c), including the anticipated amounts payable in the upcoming fiscal year, and identification of any state budget programs that may be affected."

SECTION 2. The employees' retirement system shall submit to the legislature reports on the progress of state and county departments and agencies in their efforts to comply with section 88-103.7, Hawaii Revised Statutes, as

ACT 88

amended by this Act, by July 1, 2020. The reports shall be submitted at least twenty days prior to the convening of the regular sessions of 2016, 2017, 2018, 2019, and 2020.

All state and county departments and agencies shall cooperate with the employees' retirement system when the system makes reasonable requests for information.

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2020; provided that section 2 shall take effect upon approval.

(Approved June 5, 2015.)

ACT 88

S.B. NO. 1208

A Bill for an Act Relating to the Employees' Retirement System.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 88, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§88- Closed meetings of the board; authorized. (a) The board may hold a meeting closed to the public in accordance with the procedures for holding an executive session meeting pursuant to section 92-4 for the following purposes:

- (1) To conduct discussions or deliberations relating to, or to make a decision upon, investments or prospective investments by the system that require the consideration of information or records that are exempt from disclosure under chapter 92F, including without limitation information and records that are proprietary information or confidential business information;
  - (2) To conduct discussions and deliberations or to make decisions relating to procurements that are exempt from chapter 103D to the same extent that the discussion, deliberation, and decision would be required to be conducted or made confidentially if the procurement were subject to chapter 103D; and
  - (3) To deliberate concerning the authority of persons designated by the board to negotiate investments or the sale of property held by or for the benefit of the system, or during the conduct of such negotiations.
- (b) The purposes for which the board may hold a meeting closed to the public pursuant to this section are in addition to the purposes described in section 92-5(a) or any other applicable exemption from part I of chapter 92.”

SECTION 2. New statutory material is underscored.<sup>1</sup>

SECTION 3. This Act shall take effect upon its approval.

(Approved June 5, 2015.)

Note

1. Edited pursuant to HRS §23G-16.5

## ACT 89

S.B. NO. 504

A Bill for an Act Relating to Historic Preservation.

*Be It Enacted by the Legislature of the State of Hawaii:*

**PART I**

SECTION 1. (a) The state historic preservation division of the department of land and natural resources shall conduct a survey to identify potential historic districts and single-family residences that may be eligible for listing on the Hawaii register of historic places.

(b) The state historic preservation division of the department of land and natural resources shall submit a report to the legislature no later than twenty days prior to the convening of the regular session of 2018. The report shall include the results of the division's compliance with subsection (a), including the number and types of properties examined and identified as potentially eligible to be included on the Hawaii register of historic places.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 to be deposited into the Hawaii historic preservation special fund.

SECTION 3. There is appropriated out of the Hawaii historic preservation special fund the sum of \$100,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 to conduct a survey to identify potential historic districts and single-family residences that may be eligible for listing on the Hawaii register of historic places.

The sums appropriated shall be expended by the department of land and natural resources for the purposes of this Act.

**PART II**

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$150,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 for deposit into the Hawaii historic preservation special fund.

SECTION 5. There is appropriated out of the Hawaii historic preservation special fund the sum of \$150,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 to implement a data management plan for the digitization of historic preservation records.

The sums appropriated shall be expended by the department of land and natural resources for the purposes of this part.

**PART III**

SECTION 6. This Act shall take effect on July 1, 2015.

(Approved June 5, 2015.)

A Bill for an Act Relating to Use Permits for Small Boat Harbors.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 200-10, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) In order to obtain a permit~~[-]~~ or a permit renewal, ~~[or to be placed on a waitlist for a permit,]~~ the owner of a vessel shall provide, at the owner’s own expense:

- (1) A marine surveyor’s inspection or a vessel inspection by the department, no more than two years old, certifying that ~~[the surveyor has inspected]~~ the vessel has been inspected and ~~[considers it to fulfill]~~ fulfills the requirements set by the department;
- (2) Documentation that the person is the owner of the vessel. The documentation shall meet requirements established by the department; and
- (3) Satisfactory proof that the person has attained the age of eighteen years~~[-]~~ prior to obtaining a permit or being placed on the waitlist for a permit.”

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved June 5, 2015.)

A Bill for an Act Relating to Neighborhood Boards.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 92-82, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

“(a) ~~[Two or more members of a neighborhood board, but fewer than the number of members necessary to constitute a quorum for the board,]~~ Neighborhood board members may attend [informational] meetings or presentations located on Oahu on matters relating to official board business, ~~[including meetings of another entity, seminars, and community meetings]~~; provided that the meeting or presentation is open to the public, does not charge a fee or require registration, and is not specifically and exclusively organized for or directed toward members of the board[-]; and provided further that no member makes a commitment to vote on any of the issues discussed.

(b) ~~Neighborhood board members [may participate in discussions, including discussions among themselves; provided that the discussions occur during and as part of the informational meeting or presentation allowed by subsection (a); and provided further that there is no commitment made relating to~~

~~a vote on the issue. The board members, at the next duly noticed meeting of the neighborhood board, shall report their attendance and the matters presented and discussed that related to official board business at the informational meeting or presentation.] who attend meetings or presentations allowed by subsection (a) may ask questions relating to official board business of persons other than fellow board members.”~~

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.  
(Approved June 5, 2015.)

## ACT 92

H.B. NO. 461

A Bill for an Act Relating to the Office of Information Practices.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 26-1, Hawaii Revised Statutes, is amended to read as follows:

**“§26-1 Office of the lieutenant governor.** (a) Except as otherwise provided by law, the lieutenant governor is designated the secretary of state for intergovernmental relations and shall perform the duties and functions heretofore exercised by the secretary of Hawaii. The duties and functions shall include[-] but not be limited to[-] recordation of all legislative and gubernatorial acts, certification of state documents, and maintenance of an official file of rules adopted by state departments as provided in chapter 91. The lieutenant governor may employ staff as necessary without regard to chapter 76.

(b) The lieutenant governor, with the approval of the governor, may designate some other officer of the government of the State to authenticate documents on behalf of the lieutenant governor during the lieutenant governor’s temporary absence outside the State or during the lieutenant governor’s illness whenever the documents require the signature of the lieutenant governor. The person shall affix the person’s own signature to the document with the words, “for the lieutenant governor” following and the signature shall be deemed to satisfy the requirement of the lieutenant governor’s signature on the document. The designation and approval shall be in writing and shall be filed in the office of the governor and a copy thereof, certified by the governor, shall be filed with the public archives. The person [sø] designated shall serve without additional compensation and the lieutenant governor shall be responsible and liable on the lieutenant governor’s official bond for all acts done by the person [sø] designated in the performance of the duties on behalf of the lieutenant governor.

(c) Nothing in this section shall be construed to authorize the person to exercise and discharge the powers and duties of the office of the governor as provided by the first paragraph of [Article] article V, section 4, of the Constitution of the State[-] of Hawaii. The person shall not be authorized to exercise any powers whenever a successor to the lieutenant governor assumes the duties of the lieutenant governor pursuant to [Article] article V, section 4, of the Constitution[-] of the State of Hawaii.



~~[(d)] In addition to the functions and duties provided by law, the lieutenant governor shall assume administrative responsibility for the office of information practices.~~

~~(e)~~ (d) The governor shall identify and direct other duties as necessary to the lieutenant governor.

~~[(f)]~~ (e) A lieutenant governor whose legal residence is on an island other than Oahu and who is required to remain away from the island of the lieutenant governor's legal residence but within the State overnight or longer while on official business shall receive an allowance to cover personal expenses such as board, lodging, and incidental expenses. The allowance authorized under this subsection shall be set at a daily single rate to be determined by a joint agreement between the senate president and speaker of the house of representatives. This rate shall:

- (1) Not exceed the greater of the maximum allowance for such expenses payable to any public officer or employee of the State; and
- (2) Be reasonably calculated to cover the expenses specified in this subsection.

~~[(g)]~~ (f) The allowance authorized under subsection ~~[(f)]~~ (e) shall be in addition to and shall not supplant any portion of the salary of the lieutenant governor determined pursuant to section 26-51. The allowance shall be paid out of any available appropriation made by the legislature for expenses, other than the salary, of the lieutenant governor."

SECTION 2. Section 26-6, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The department shall:

- (1) Preaudit and conduct after-the-fact audits of the financial accounts of all state departments to determine the legality of expenditures and the accuracy of accounts;
- (2) Report to the governor and to each regular session of the legislature as to the finances of each department of the State;
- (3) Administer the state risk management program;
- (4) Establish and manage motor pools;
- (5) Manage the preservation and disposal of all records of the State;
- (6) Undertake the program of centralized engineering and office leasing services, including operation and maintenance of public buildings, for departments of the State;
- (7) Undertake the functions of the state surveyor;
- (8) Establish accounting and internal control systems;
- (9) Provide centralized computer information management and processing services, coordination in the use of all information processing equipment, software, facilities, and services in the executive branch of the State, and consultation and support services in the use of information processing and management technologies to improve the efficiency, effectiveness, and productivity of state government programs; ~~and~~
- (10) Establish, coordinate, and manage a program to provide a means for public access to public information and develop and operate an information network in conjunction with its overall plans for establishing a communication backbone for state government~~[-]; and~~
- (11) Assume administrative responsibility for the office of information practices."

SECTION 3. Section 28-8.3, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

“(a) No department of the State other than the attorney general may employ or retain any attorney, by contract or otherwise, for the purpose of representing the State or the department in any litigation, rendering legal counsel to the department, or drafting legal documents for the department; provided that the foregoing provision shall not apply to the employment or retention of attorneys:

- (1) By the public utilities commission, the labor and industrial relations appeals board, and the Hawaii labor relations board;
- (2) By any court or judicial or legislative office of the State; provided that if the attorney general is requested to provide representation to a court or judicial office by the chief justice or the chief justice’s designee, or to a legislative office by the speaker of the house of representatives and the president of the senate jointly, and the attorney general declines to provide such representation on the grounds of conflict of interest, the attorney general shall retain an attorney for the court, judicial, or legislative office, subject to approval by the court, judicial, or legislative office;
- (3) By the legislative reference bureau;
- (4) By any compilation commission that may be constituted from time to time;
- (5) By the real estate commission for any action involving the real estate recovery fund;
- (6) By the contractors license board for any action involving the contractors recovery fund;
- (7) By the office of Hawaiian affairs;
- (8) By the department of commerce and consumer affairs for the enforcement of violations of chapters 480 and 485A;
- (9) As grand jury counsel;
- ~~[(10) By the Hawaiian home lands trust individual claims review panel;~~
- ~~[(11) (10) By the Hawaii health systems corporation, or its regional system boards, or any of their facilities;~~
- ~~[(12) (11) By the auditor;~~
- ~~[(13) (12) By the office of ombudsman;~~
- ~~[(14) (13) By the insurance division;~~
- ~~[(15) (14) By the University of Hawaii;~~
- ~~[(16) (15) By the Kahoolawe island reserve commission;~~
- ~~[(17) (16) By the division of consumer advocacy;~~
- ~~[(18) (17) By the office of elections;~~
- ~~[(19) (18) By the campaign spending commission;~~
- ~~[(20) (19) By the Hawaii tourism authority, as provided in section 201B-2.5;~~
- ~~[(21) (20) By the division of financial institutions for any action involving the mortgage loan recovery fund; ~~or~~~~
- (21) By the office of information practices; or
- (22) By a department, ~~[in the event]~~ if the attorney general, for reasons deemed by the attorney general to be good and sufficient, declines to employ or retain an attorney for a department; provided that the governor waives the provision of this section.”

2. By amending subsection (c) to read:

“(c) Every attorney employed by any department on a full-time basis, except an attorney employed by the public utilities commission, the labor and

industrial relations appeals board, the Hawaii labor relations board, the office of Hawaiian affairs, the Hawaii health systems corporation or its regional system boards, the department of commerce and consumer affairs in prosecution of consumer complaints, insurance division, the division of consumer advocacy, the University of Hawaii, the Hawaii tourism authority as provided in section 201B-2.5, the ~~[Hawaiian home lands trust individual claims review panel,]~~ office of information practices, or as grand jury counsel, shall be a deputy attorney general.”

SECTION 4. Section 92F-41, Hawaii Revised Statutes, is amended to read as follows:

**“§92F-41 Office of information practices; established.** (a) There is established ~~[a temporary]~~ an office of information practices ~~[for a special purpose]~~ within the ~~[office of the lieutenant governor]~~ department of accounting and general services for administrative purposes~~[-];~~ provided that:

- (1) Any quasi-judicial functions of the office of information practices shall not be subject to the approval, review, or control of the comptroller; and
  - (2) The comptroller shall not have the power to supervise or control the office of information practices in the exercise of its functions, duties, and powers under section 92F-42.
- (b) The governor shall appoint a director of the office of information practices to be its chief executive officer and who shall be exempt from chapter 76.
- (c) All powers and duties of the office of information practices are vested in the director and may be delegated to any other officer or employee of the office.
- (d) The director may employ any other personnel that are necessary, including ~~[but not limited to]~~ attorneys and clerical staff. The office of information practices shall follow and be subject to all applicable personnel laws. All personnel of the office of information practices shall be employed without regard to chapter 76.
- (e) The office of information practices shall make direct communications with the governor and legislature.”

SECTION 5. Section 92F-42, Hawaii Revised Statutes, is amended to read as follows:

**“§92F-42 Powers and duties of the office of information practices.** The director of the office of information practices:

- (1) Shall, upon request, review and rule on an agency denial of access to information or records, or an agency’s granting of access; provided that any review by the office of information practices shall not be a contested case under chapter 91 and shall be optional and without prejudice to rights of judicial enforcement available under this chapter;
- (2) Upon request by an agency, shall provide and make public advisory guidelines, opinions, or other information concerning that agency’s functions and responsibilities;
- (3) Upon request by any person, may provide advisory opinions or other information regarding that person’s rights and the functions and responsibilities of agencies under this chapter;

- (4) May conduct inquiries regarding compliance by an agency and investigate possible violations by any agency;
- (5) May examine the records of any agency for the purpose of ~~[paragraph]~~ paragraphs (4) and (18) and seek to enforce that power in the courts of this State;
- (6) May recommend disciplinary action to appropriate officers of an agency;
- (7) Shall report annually to the governor and the state legislature on the activities and findings of the office of information practices, including recommendations for legislative changes;
- (8) Shall receive complaints from and actively solicit the comments of the public regarding the implementation of this chapter;
- (9) Shall review the official acts, records, policies, and procedures of each agency;
- (10) Shall assist agencies in complying with the provisions of this chapter;
- (11) Shall inform the public of the following rights of an individual and the procedures for exercising them:
  - (A) The right of access to records pertaining to the individual;
  - (B) The right to obtain a copy of records pertaining to the individual;
  - (C) The right to know the purposes for which records pertaining to the individual are kept;
  - (D) The right to be informed of the uses and disclosures of records pertaining to the individual;
  - (E) The right to correct or amend records pertaining to the individual; and
  - (F) The individual's right to place a statement in a record pertaining to that individual;
- (12) Shall adopt rules that set forth an administrative appeals structure which provides for:
  - (A) Agency procedures for processing records requests;
  - (B) A direct appeal from the division maintaining the record; and
  - (C) Time limits for action by agencies;
- (13) Shall adopt rules that set forth the fees and other charges that may be imposed for searching, reviewing, or segregating disclosable records, as well as to provide for a waiver of fees when the public interest would be served;
- (14) Shall adopt rules which set forth uniform standards for the records collection practices of agencies;
- (15) Shall adopt rules that set forth uniform standards for disclosure of records for research purposes;
- (16) Shall have standing to appear in cases where the provisions of this chapter or part I of chapter 92 are called into question;
- (17) Shall adopt, amend, or repeal rules pursuant to chapter 91 necessary for the purposes of this chapter; and
- (18) Shall take action to oversee compliance with part I of chapter 92 by all state and county boards including:
  - (A) Receiving and resolving complaints;
  - (B) Advising all government boards and the public about compliance with chapter 92; and
  - (C) Reporting each year to the legislature on all complaints received pursuant to section 92-1.5."

SECTION 6. All rights, powers, functions, and duties of the office of the lieutenant governor relating to the office of information practices are transferred to the department of accounting and general services.

Employees shall be transferred without loss of salary, seniority (except as prescribed by applicable collective bargaining agreements), retention points, prior service credit, any vacation and sick leave credits previously earned, and other rights, benefits, and privileges, in accordance with state personnel laws and this Act; provided that the employees possess the minimum qualifications and public employment requirements for the class or position to which transferred or appointed, as applicable; provided further that subsequent changes in status may be made pursuant to applicable civil service and compensation laws.

Any employee who, prior to this Act, is exempt from civil service and is transferred as a consequence of this Act may retain the employee's exempt status, but shall not be appointed to a civil service position as a consequence of this Act. An exempt employee who is transferred by this Act shall not suffer any loss of prior service credit, vacation or sick leave credits previously earned, or other employee benefits or privileges as a consequence of this Act; provided that the employees possess legal and public employment requirements for the position to which transferred or appointed, as applicable; provided further that subsequent changes in status may be made pursuant to applicable employment and compensation laws. The director of the office of information practices may prescribe the duties and qualifications of these employees and fix their salaries without regard to chapter 76, Hawaii Revised Statutes.

SECTION 7. All appropriations, records, equipment, machines, files, supplies, contracts, books, papers, documents, maps, and other personal property heretofore made, used, acquired, or held by the office of the lieutenant governor relating to the functions transferred to the department of accounting and general services shall be transferred with the functions to which they relate.

SECTION 8. All rules, policies, procedures, guidelines, and other material adopted or developed by the office of information practices to implement provisions of the Hawaii Revised Statutes which are reenacted or made applicable to the department of accounting and general services by this Act, shall remain in full force and effect until amended or repealed by the office of information practices pursuant to chapter 91, Hawaii Revised Statutes. In the interim, every reference to the office of the lieutenant governor or the lieutenant governor in those rules, policies, procedures, guidelines, and other material is amended to refer to the department of accounting and general services or the comptroller as appropriate.

SECTION 9. All deeds, leases, contracts, loans, agreements, permits, or other documents executed or entered into by or on behalf of the office of information practices pursuant to the provisions of the Hawaii Revised Statutes, which are reenacted or made applicable to the department of accounting and general services by this Act, shall remain in full force and effect. Upon the effective date of this Act, every reference to the office of the lieutenant governor or the lieutenant governor therein shall be construed as a reference to the department of accounting and general services or the comptroller as appropriate.

SECTION 10. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 11. This Act shall take effect on July 1, 2016; provided that section 5 shall take effect upon approval.

(Approved June 5, 2015.)

### ACT 93

H.B. NO. 169

A Bill for an Act Relating to Taxation.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 237D-1, Hawaii Revised Statutes, is amended by amending the definition of "fair market rental value" to read as follows:

"Fair market rental value" means an amount equal to one-half of the gross daily maintenance fees that are paid by the owner[;] and are attributable to the time share unit[; ~~and~~] located in Hawaii. Gross daily maintenance fees include maintenance costs, operational costs, insurance, repair costs, administrative costs, taxes, other than transient accommodations taxes, resort fees, and other costs including payments required for reserves or sinking funds. [The taxpayer shall use gross daily maintenance fees, unless the taxpayer proves or the director determines that the gross daily maintenance fees do not fairly represent fair market rental value taking into account comparable transient accommodation rentals or other appraisal methods.] Amounts paid for optional goods and services such as food and beverage services or beach chair or umbrella rentals shall be excluded from fair market rental value."

SECTION 2. Section 237D-2, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) There is levied and shall be assessed and collected each month, on the occupant of a resort time share vacation unit, a transient accommodations tax of:

- (1) 7.25 per cent on the fair market rental value[;] until December 31, 2015;
- (2) 8.25 per cent on the fair market rental value for the period beginning on January 1, 2016, to December 31, 2016; and
- (3) 9.25 per cent on the fair market rental value for the period beginning on January 1, 2017, and thereafter."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on January 1, 2016.

(Approved June 5, 2015.)

### ACT 94

S.B. NO. 92

A Bill for an Act Relating to Taxation.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to address taxation. More specifically, this Act requires the department of taxation to publish reports of certain general excise tax exemptions.

SECTION 2. Section 231-3.4, Hawaii Revised Statutes, is amended to read as follows:

“§231-3.4 **Publication of reports.** (a) The department of taxation shall publish reports on the following:

- (1) Hawaii income patterns—individuals;
- (2) Hawaii income patterns—~~[corporations, proprietorships, and partnerships; and]~~ businesses;
- (3) Tax credits~~[-];~~ and
- (4) General excise tax exemptions that:

(A) Are tax expenditures at the wholesale rate;

(B) Are tax expenditures at the retail rate; and

(C) May be foregone opportunities to export taxes;

provided that the department of taxation shall have the discretion to determine the exemptions that fit within each of the categories within subparagraphs (A), (B), and (C) and those that do not fit into any of the categories. The department shall not be required to publish reports on exemptions that do not fit into any of the categories.

(b) The department shall make each of these reports available in both paper form and commonly accessible electronic forms.

(c) The department of taxation shall ~~[report]~~ provide the reports required by subsection (a)(1) and (3) to the legislature no later than twenty days prior to the convening of each regular session[; provided that on or before December 31, 2012, the department shall report to the legislature on:

(1) ~~The resources and information needed to complete the reports required under subsection (a)(3);~~

(2) ~~An identification of the best means of providing information in an electronic format in the future; and~~

(3) ~~Recommendations for additional information that may be required for inclusion in the reports as the department upgrades its tax computer systems and associated enterprise resource planning implementation.];~~ provided that on or before December 31, 2015, the department of taxation shall report to the legislature on the status of upgrading its forms and reporting capabilities per the implementation of the department of taxation’s tax system modernization. The department of taxation shall provide the reports required by subsection (a)(2) and (4) to the legislature no later than twenty days prior to the convening of the 2017 regular session and each session thereafter.

(d) The department may explore and implement all reasonable methods of covering the costs of distribution of the reports, including but not limited to:

(1) Setting reasonable fees that will cover the costs of producing and distributing the reports in paper and electronic form; and

(2) Negotiating licensing fees with commercial information providers for rights to carry the reports on-line or in other electronic storage methods.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2015.

(Approved June 5, 2015.)

A Bill for an Act Relating to Taxation.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 201H-36, Hawaii Revised Statutes, is amended to read as follows:

~~“§201H-36~~ **Exemption from general excise taxes.** (a) In accordance with section 237-29, the corporation may approve and certify for exemption from general excise taxes any qualified person or firm involved with a newly constructed, or moderately or substantially rehabilitated project:

- (1) Developed under this part;
- (2) Developed under a government assistance program approved by the corporation, including but not limited to the United States Department of Agriculture 502 program and Federal Housing Administration 235 program;
- (3) Developed under the sponsorship of a private nonprofit organization providing home rehabilitation or new homes for qualified families in need of decent, low-cost housing; or
- (4) Developed by a qualified person or firm to provide affordable rental housing where at least fifty per cent of the available units are for households with incomes at or below eighty per cent of the area median family income as determined by the United States Department of Housing and Urban Development, of which at least twenty per cent of the available units are for households with incomes at or below sixty per cent of the area median family income as determined by the United States Department of Housing and Urban Development.

~~(b) To obtain certification for exemption under this section, rental housing projects shall, unless exempted by the corporation, enter into a regulatory agreement with the corporation to ensure the project's continued compliance with the applicable eligibility requirements set forth in subsection (a), as follows:~~

- ~~(1) For moderate rehabilitation projects, a minimum term of five years as specified in a regulatory agreement;~~
- ~~(2) For substantial rehabilitation projects, a minimum term of ten years as specified in a regulatory agreement; or~~
- ~~(3) For new construction projects, a minimum term of thirty years from the date of issuance of the certificate of occupancy.~~

~~(b)] (c)~~ All claims for exemption under this section shall be filed with and certified by the corporation and forwarded to the department of taxation. Any claim for exemption that is filed and approved, shall not be considered a subsidy for the purpose of this part.

~~(e)] (d)~~ For the purposes of this section:

“Moderate rehabilitation” means rehabilitation to upgrade a dwelling unit to a decent, safe, and sanitary condition, or to repair or replace major building systems or components in danger of failure.

“Substantial rehabilitation”:

- (1) Means the improvement of a property to a decent, safe, and sanitary condition that requires more than routine or minor repairs or improvements. It may include but is not limited to the gutting and extensive reconstruction of a dwelling unit, or cosmetic improvements coupled with the curing of a substantial accumulation of deferred maintenance; and



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- (2) Includes renovation, alteration, or remodeling to convert or adapt structurally sound property to the design and condition required for a specific use, such as conversion of a hotel to housing for elders.

~~[(d)]~~ (e) The corporation may establish, revise, charge, and collect a reasonable service fee, as necessary, in connection with its approvals and certifications under this section. The fees shall be deposited into the dwelling unit revolving fund.”

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2015, and shall apply to projects with an initial certification date after June 30, 2015.

(Approved June 5, 2015.)

ACT 96

H.B. NO. 1168

A Bill for an Act Relating to the Boating Special Fund.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the boating special fund is the sole funding source of the department of land and natural resources, division of boating and ocean recreation’s capital improvement projects; repair and maintenance of public lands, small boat harbors, and boating and ocean recreational facilities; and education programs. The legislature further finds that the division of boating and ocean recreation would be able to generate additional revenue for the boating special fund if the division had the capacity to plan, develop, and manage currently underutilized public lands and improvements under its jurisdiction. This expanded capacity will only be possible if the division is able to hire additional full- and part-time staff.

SECTION 2. Section 200-8, Hawaii Revised Statutes, is amended to read as follows:

“**§200-8 Boating program; payment of costs.** The cost of administering a comprehensive statewide boating program, including but not limited to the cost of:

- (1) Operating, maintaining, and managing all boating facilities under the control of the department;
- (2) Improving boating safety;
- (3) Operating a vessel registration and boating casualty investigation and reporting system; ~~and~~
- (4) Other boating program activities~~;~~; and
- (5) Planning, developing, managing, operating, or maintaining of all lands and improvements under the control and management of the board, including but not limited to permanent or temporary staff positions who may be appointed without regard to chapter 76.

shall be paid from the boating special fund; provided that any fees collected within small boat harbors shall be expended only for costs related to the operation, upkeep, maintenance, and improvement of the small boat harbors. The amortization (principal and interest) of the costs of capital improvements for boating facilities appropriated after July 1, 1975, including but not limited to berths, slips, ramps, related accommodations, general navigation channels, breakwaters, aids to navigation, and other harbor structures, may be paid from the boating special fund or from general revenues as the legislature may authorize in each situation. Revenues provided in this chapter for the boating special fund shall be at least sufficient to pay the special fund costs established in this section.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2015.

(Approved June 5, 2015.)

## ACT 97

H.B. NO. 623

A Bill for an Act Relating to Renewable Standards.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that Hawaii’s dependency on imported fuel drains the State’s economy of billions of dollars each year. A stronger local economy depends on a transition away from imported fuels and toward renewable local resources that provide a secure source of affordable energy.

The legislature further finds that alternative energy technologies have advanced significantly in recent years, leading to an explosion of new markets, jobs, and local energy sources. Due to these and other advances, Hawaii is currently ahead of its timeline in reaching its goal of becoming forty per cent renewable by 2030.

The legislature also finds that Hawaii is in a period of energy transition, with many long-term agreements soon to be executed for new forms of imported fuels that may act as temporary “bridge” fuels until local sources of renewable energy can be developed.

The purpose of this Act is to update and extend Hawaii’s clean energy initiative and renewable portfolio standards to ensure maximum long-term benefit to Hawaii’s economy by setting a goal of one hundred per cent renewable by 2045; provided that extending the renewable portfolio standard goals and transition to energy independence beyond 2030 shall be undertaken in a manner that benefits Hawaii’s economy and all electric customers, maintains customer affordability, and does not induce renewable energy developers to artificially increase the price of renewable energy in Hawaii. This target will ensure that Hawaii moves beyond its dependence on imported fuels and continues to grow a local renewable energy industry.

SECTION 2. Section 269-92, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:
  - “(a) Each electric utility company that sells electricity for consumption in the State shall establish a renewable portfolio standard of:
    - (1) Ten per cent of its net electricity sales by December 31, 2010;

- (2) Fifteen per cent of its net electricity sales by December 31, 2015;
  - (3) ~~Twenty-five~~ Thirty per cent of its net electricity sales by December 31, 2020; ~~and~~
  - (4) Forty per cent of its net electricity sales by December 31, 2030[-];
  - (5) Seventy per cent of its net electricity sales by December 31, 2040; and
  - (6) One hundred per cent of its net electricity sales by December 31, 2045.”
2. By amending subsection (d) to read:
- “(d) Events or circumstances that are outside of an electric utility company’s reasonable control may include, to the extent the event or circumstance could not be reasonably foreseen and ameliorated:
- (1) Weather-related damage;
  - (2) Natural disasters;
  - (3) Mechanical or resource failure;
  - (4) Failure of renewable electrical energy producers to meet contractual obligations to the electric utility company;
  - (5) Labor strikes or lockouts;
  - (6) Actions of governmental authorities that adversely affect the generation, transmission, or distribution of renewable electrical energy under contract to an electric utility company;
  - (7) Inability to acquire sufficient renewable electrical energy due to lapsing of tax credits related to renewable energy development;
  - (8) Inability to obtain permits or land use approvals for renewable electrical energy projects;
  - (9) Inability to acquire sufficient cost-effective renewable electrical energy;
  - (10) Inability to acquire sufficient renewable electrical energy to meet the renewable portfolio standard goals beyond 2030 in a manner that is beneficial to Hawaii’s economy in relation to comparable fossil fuel resources;
  - ~~(10)~~ (11) Substantial limitations, restrictions, or prohibitions on utility renewable electrical energy projects; and
  - ~~(11)~~ (12) Other events and circumstances of a similar nature.”

SECTION 3. Section 269-95, Hawaii Revised Statutes, is amended to read as follows:

“**§269-95 Renewable portfolio standards study.** The public utilities commission shall:

- (1) By December 31, 2007, develop and implement a utility ratemaking structure, which may include performance-based ratemaking, to provide incentives that encourage Hawaii’s electric utility companies to use cost-effective renewable energy resources found in Hawaii to meet the renewable portfolio standards established in section 269-92, while allowing for deviation from the standards in the event that the standards cannot be met in a cost-effective manner or as a result of events or circumstances, such as described in section 269-92(d), beyond the control of the electric utility company that could not have been reasonably anticipated or ameliorated;
- (2) Gather, review, and analyze empirical data to:
  - (A) Determine the extent to which any proposed utility ratemaking structure would impact electric utility companies’ profit margins; and

- (B) Ensure that the electric utility companies' opportunity to earn a fair rate of return is not diminished;
- (3) Use funds from the public utilities special fund to contract with the Hawaii natural energy institute of the University of Hawaii to conduct independent studies to be reviewed by a panel of experts from entities such as the United States Department of Energy, National Renewable Energy Laboratory, Electric Power Research Institute, Hawaii electric utility companies, environmental groups, and other similar institutions with the required expertise. These studies shall include findings and recommendations regarding:
- (A) The capability of Hawaii's electric utility companies to achieve renewable portfolio standards in a cost-effective manner and shall assess factors such as:
- (i) The impact on consumer rates;
  - (ii) Utility system reliability and stability;
  - (iii) Costs and availability of appropriate renewable energy resources and technologies[;], including the impact of renewable portfolio standards, if any, on the energy prices offered by renewable energy developers;
  - (iv) Permitting approvals;
  - (v) Effects on the economy;
  - (vi) Balance of trade, culture, community, environment, land, and water;
  - (vii) Climate change policies;
  - (viii) Demographics; ~~and~~
  - (ix) Cost of fossil fuel volatility; and
  - ~~[(ix)]~~ (x) Other factors deemed appropriate by the commission; and
- (B) Projected renewable portfolio standards to be set five and ten years beyond the then current standards;
- (4) Evaluate the renewable portfolio standards every five years, beginning in 2013, and may revise the standards based on the best information available at the time to determine if the standards established by section 269-92 remain effective and achievable; and
- (5) Report its findings and revisions to the renewable portfolio standards, based on its own studies and other information, to the legislature no later than twenty days before the convening of the regular session of 2014, and every five years thereafter."

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2015.

(Approved June 8, 2015.)

ACT 98

H.B. NO. 1296

A Bill for an Act Relating to Energy.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 206M, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§206M- **Hydrogen implementation coordinator.** (a) The director of the Hawaii center for advanced transportation technologies of the development corporation shall serve as the state hydrogen implementation coordinator.

(b) The state hydrogen implementation coordinator, under the delegated authority of the energy resources coordinator, shall facilitate the establishment of infrastructure and policies across all agencies of the State to promote the expansion of hydrogen-based energy in Hawaii.”

SECTION 2. (a) There is established the hydrogen implementation working group, which shall be convened by the state hydrogen implementation coordinator and attached to the high technology development corporation for administrative purposes. The state hydrogen implementation coordinator shall serve as chairperson of the hydrogen implementation working group.

(b) The working group shall consist of:

- (1) The state hydrogen implementation coordinator;
- (2) Representatives of federal, state, and county agencies, as appropriate;
- (3) Industry stakeholders; and
- (4) Other persons, as deemed appropriate by the state hydrogen implementation coordinator.

(c) No member of the working group shall be made subject to chapter 84, Hawaii Revised Statutes, solely because of that member’s participation as a member of the working group.

(d) The working group shall study and examine methods to promote the expansion of hydrogen-based energy in Hawaii.

(e) The state hydrogen implementation coordinator shall submit a report of the working group’s findings and recommendations, including any proposed legislation, to the legislature by November 30, 2015.

(f) The members of the working group shall serve without compensation but shall be reimbursed for expenses, including travel expenses, necessary for the performance of their duties.

(g) The working group shall cease to exist on July 1, 2030.

SECTION 3. New statutory material is underscored.<sup>1</sup>

SECTION 4. This Act shall take effect on July 1, 2015.

(Approved June 8, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 99**

H.B. NO. 1509

A Bill for an Act Relating to Energy.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that Hawaii leads the nation in the creation of pioneering models of energy and infrastructure financing to save taxpayers’ money. In 2013, the legislature established the green infrastructure loan program, which uses private investment dollars to pay for the upfront costs of energy infrastructure retrofits for both public and private purposes, which is paid back using the savings realized from the reduction in energy costs generated by the new energy-efficient infrastructure while also producing an additional net savings to the end user.

By using energy-savings financing mechanisms such as the green infrastructure loan program to pay for a large portion of any renewable energy project, the University of Hawaii can reduce its electrical consumption at a fraction of the cost to taxpayers. Furthermore, the use of energy-savings financing mechanisms such as the green infrastructure loan program to pay for the renewable energy portion of any deferred maintenance project can help the university reduce its deferred maintenance backlog and lower its electrical consumption at a fraction of the cost to taxpayers. The legislature declares that this Act is a matter of statewide concern.

The purpose of this Act is to maximize student tuition savings by establishing long-term commitments to reduce energy use at the University of Hawaii and by encouraging the use of innovative means of energy-savings financing to reduce taxpayer costs for capital improvement and energy efficiency projects.

SECTION 2. Chapter 304A, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§304A- University of Hawaii; net-zero energy goal.** (a) The University of Hawaii shall establish a collective goal of becoming net-zero with respect to energy use, producing as much energy as the system consumes across all campuses, by January 1, 2035.

(b) The University of Hawaii shall establish a benchmark for the amount and value of energy consumed during the 2014-2015 fiscal year, against which it shall measure its progress toward the net-zero energy goal set forth in subsection (a).

(c) The University of Hawaii shall make improvements that advance the net-zero energy goal set forth in subsection (a) a priority.

(d) The University of Hawaii shall submit an annual report to the legislature no later than twenty days before the convening of each regular session. The annual report shall include the following information:

- (1) Overall progress toward the net-zero energy goal set forth in subsection (a);
- (2) Plans and recommendations to advance the net-zero energy goal set forth in subsection (a).”

SECTION 3. New statutory material is underscored.<sup>1</sup>

SECTION 4. This Act shall take effect on July 1, 2015.

(Approved June 8, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 100**

S.B. NO. 1050

A Bill for an Act Relating to Energy.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that all Hawaii residents should be able to participate in and enjoy the economic, environmental, and societal benefits of renewable energy. Spurred by the Hawaii clean energy initiative and increasingly

affordable clean energy options, such as solar photovoltaic systems, localized renewable energy generation technology has become increasingly attainable.

While residential solar energy use has grown dramatically across the State in recent years, many residents and businesses are currently unable to directly participate in renewable energy generation because of their location, building type, access to the electric utility grid, and other impediments. The community-based renewable energy program seeks to rectify this inequity by dramatically expanding the market for eligible renewable energy resources to include residential and business renters, occupants of residential and commercial buildings with shaded or improperly oriented roofs, and other groups who are unable to access the benefits of onsite clean energy generation.

The legislature finds that it is in the public interest to promote broader participation in self-generation by Hawaii residents and businesses through the development of community-based renewable energy facilities in which participants are entitled to generate electricity and receive credit for that electricity on their utility bills.

Community-based renewable energy creates new construction jobs, stimulates the economy, reduces emissions of greenhouse gases, promotes energy independence, and assists in meeting the State's clean energy goals. Further, community-based renewable energy enables residents and businesses to save money on their electricity bills, thereby providing additional funds for purchasing, investment, or other economic activity.

The purpose of this Act is to establish the Hawaii community-based renewable energy program to make the benefits of renewable energy generation more accessible to a greater number of Hawaii residents. The legislature finds that a community-based renewable energy tariff should, to the extent possible, be designed in an open and accessible process and should accommodate a variety of community-based renewable energy projects, models, and sizes. The legislature also finds that, in order to facilitate the timely implementation of community-based renewable energy, the electric utilities should collaborate with the department of business, economic development, and tourism, and other stakeholders from the renewable energy industry and environment advocacy community on the development of a community-based renewable energy tariff prior to filing the tariff with the public utilities commission.

SECTION 2. Chapter 269, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§269- Community-based renewable energy tariffs. (a) Each electric utility in the State shall file a proposed community-based renewable energy tariff or tariffs with the public utilities commission by October 1, 2015. The public utilities commission shall establish a community-based renewable energy tariff or tariffs, pursuant to section 269-16; provided that the tariff or tariffs are found to be in the public interest.

(b) Any person or entity may own or operate an eligible community-based renewable energy project or projects provided that the person or entity complies with all applicable statutes, rules, tariffs, and regulations governing the ownership and interconnection of such project or projects.

(c) As used in this section:

“Community-based renewable energy tariff” means a tariff approved by the commission that:

(1) Allows an electric utility customer to participate in an eligible renewable energy project that is providing electricity and electric grid services to the electric utility;

- (2) Allows the electric utility to implement a billing arrangement to compensate those customers for the electricity and electric grid services provided to the electric utility;
- (3) Is designed to provide fair compensation for electricity, electric grid services, and other benefits provided to or by the electric utility, participating ratepayers, and non-participating ratepayers; and
- (4) To the extent possible, standardizes and streamlines the related interconnection processes for community-based renewable energy projects.<sup>1</sup>

(Approved June 8, 2015.)

Note

- 1. Act printed as enacted.

ACT 101

H.B. NO. 87

A Bill for an Act Relating to Public Safety.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 353C-10, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Any independent civil process server may submit the server’s name to the director to be placed on the list; provided that a person shall not be placed on the list if the person:

- (1) Is serving a criminal sentence;
- (2) Has been convicted of a crime within the previous ten years;
- (3) Is required to register as a sex offender; ~~[or]~~
- (4) Is subject to any other legal restriction, including a temporary restraining order, that prevents the person from serving process~~[-];~~ or
- (5) Cannot provide a copy of a current State of Hawaii general excise tax license.”

SECTION 2. Section 708-813, Hawaii Revised Statutes, is amended to read as follows:

“**§708-813 Criminal trespass in the first degree.** (1) A person commits the offense of criminal trespass in the first degree if:

- (a) That person knowingly enters or remains unlawfully:
  - (i) In a dwelling; or
  - (ii) In or upon the premises of a hotel or apartment building;
- (b) That person:



- (i) Knowingly enters or remains unlawfully in or upon premises that are fenced or enclosed in a manner designed to exclude intruders; and
  - (ii) Is in possession of a firearm, as defined in section 134-1, at the time of the intrusion; or
  - (c) That person enters or remains unlawfully in or upon the premises of any public school as defined in section 302A-101, or any private school, after reasonable warning or request to leave by school authorities or a police officer; provided however, such warning or request to leave shall be unnecessary between 10:00 p.m. and 5:00 a.m.
- (2) Subsection (1) shall not apply to a process server who enters or remains in or upon the land or premises of another, unless the land or premises are secured with a fence and locked gate, for the purpose of making a good faith attempt to perform their legal duties and to serve process upon any of the following:
- (a) An owner or occupant of the land or premises;
  - (b) An agent of the owner or occupant of the land or premises; or
  - (c) A lessee of the land or premises.
- (3) As used in this section, "process server" means any person authorized under the Hawaii rules of civil procedure, district court rules of civil procedure, Hawaii family court rules, or section 353C-10 to serve process.
- [(2)] (4) Criminal trespass in the first degree is a misdemeanor."

SECTION 3. Section 708-814, Hawaii Revised Statutes, is amended to read as follows:

**"§708-814 Criminal trespass in the second degree.** (1) A person commits the offense of criminal trespass in the second degree if:

- (a) The person knowingly enters or remains unlawfully in or upon premises that are enclosed in a manner designed to exclude intruders or are fenced;
- (b) The person enters or remains unlawfully in or upon commercial premises after a reasonable warning or request to leave by the owner or lessee of the commercial premises, the owner's or lessee's authorized agent, or a police officer; provided that this paragraph shall not apply to any conduct or activity subject to regulation by the National Labor Relations Act.

For the purposes of this paragraph, "reasonable warning or request" means a warning or request communicated in writing at any time within a one-year period inclusive of the date the incident occurred, which may contain but is not limited to the following information:

- (i) A warning statement advising the person that the person's presence is no longer desired on the property for a period of one year from the date of the notice, that a violation of the warning will subject the person to arrest and prosecution for trespassing pursuant to section 708-814(1)(b), and that criminal trespass in the second degree is a petty misdemeanor;
- (ii) The legal name, any aliases, and a photograph, if practicable, or a physical description, including but not limited to sex, racial extraction, age, height, weight, hair color, eye color, or any other distinguishing characteristics of the person warned;
- (iii) The name of the person giving the warning along with the date and time the warning was given; and

- (iv) The signature of the person giving the warning, the signature of a witness or police officer who was present when the warning was given and, if possible, the signature of the violator;
- (c) The person enters or remains unlawfully on agricultural lands without the permission of the owner of the land, the owner's agent, or the person in lawful possession of the land, and the agricultural lands:
  - (i) Are fenced, enclosed, or secured in a manner designed to exclude intruders;
  - (ii) Have a sign or signs displayed on the unenclosed cultivated or uncultivated agricultural land sufficient to give notice and reading as follows: "Private Property". The sign or signs, containing letters not less than two inches in height, shall be placed along the boundary line of the land and at roads and trails entering the land in a manner and position as to be clearly noticeable from outside the boundary line; or
  - (iii) At the time of entry, are fallow or have a visible presence of livestock or a crop:
    - (A) Under cultivation;
    - (B) In the process of being harvested; or
    - (C) That has been harvested;
- (d) The person enters or remains unlawfully on unimproved or unused lands without the permission of the owner of the land, the owner's agent, or the person in lawful possession of the land, and the lands:
  - (i) Are fenced, enclosed, or secured in a manner designed to exclude the general public; or
  - (ii) Have a sign or signs displayed on the unenclosed, unimproved, or unused land sufficient to give reasonable notice and reads as follows: "Private Property – No Trespassing", "Government Property – No Trespassing", or a substantially similar message; provided that the sign or signs shall contain letters not less than two inches in height and shall be placed at reasonable intervals along the boundary line of the land and at roads and trails entering the land in a manner and position as to be clearly noticeable from outside the boundary line.

For the purposes of this paragraph, "unimproved or unused lands" means any land upon which there is no improvement; construction of any structure, building, or facility; or alteration of the land by grading, dredging, or mining that would cause a permanent change in the land or that would change the basic natural condition of the land. Land remains "unimproved or unused land" under this paragraph notwithstanding minor improvements, including the installation or maintenance of utility poles, signage, and irrigation facilities or systems; minor alterations undertaken for the preservation or prudent management of the unimproved or unused land, including the installation or maintenance of fences, trails, or pathways; maintenance activities, including forest plantings and the removal of weeds, brush, rocks, boulders, or trees; and the removal or securing of rocks or boulders undertaken to reduce risk to downslope properties; or
- (e) The person enters or remains unlawfully in or upon the premises of any public housing project or state low-income housing project, as defined in section 356D-1, 356D-51, or 356D-91, after a reasonable warning or request to leave by housing authorities or a police officer, based upon an alleged violation of law or administrative rule; provided that a warning or request to leave shall not be necessary

between 10:00 p.m. and 5:00 a.m. at any public housing project or state low-income housing project that is closed to the public during those hours and has signs, containing letters not less than two inches in height, placed along the boundary of the project property, at all entrances to the property, in a manner and position to be clearly noticeable from outside the boundary of the project property and to give sufficient notice that the public housing project or state low-income housing project is closed to the public during those hours.

(2) Subsection (1) shall not apply to a process server who enters or remains in or upon the land or premises of another, unless the land or premises are secured with a fence and locked gate, for the purpose of making a good faith attempt to perform their legal duties and to serve process upon any of the following:

- (a) An owner or occupant of the land or premises;
- (b) An agent of the owner or occupant of the land or premises; or
- (c) A lessee of the land or premises.

~~(2)~~ (3) As used in this section, “housing”:

“Housing authorities” means resident managers or managers, tenant monitors, security guards, or others officially designated by the Hawaii public housing authority.

“Process server” means any person authorized under the Hawaii rules of civil procedure, district court rules of civil procedure, Hawaii family court rules, or section 353C-10 to serve process.

~~(3)~~ (4) Criminal trespass in the second degree is a petty misdemeanor.”

SECTION 4. Act 116, Session Laws of Hawaii 2013, is amended by amending section 25 to read as follows:

“SECTION 25. This Act shall take effect upon its approval and shall be repealed on ~~[June 30, 2015;]~~ June 30, 2020; provided that:

- (1) Section 501-154, Hawaii Revised Statutes, in section 2 of this Act;
- (2) Section 603-29, Hawaii Revised Statutes, in section 3 of this Act;
- (3) Section 604-6.2, Hawaii Revised Statutes, in section 4 of this Act;
- (4) Section 607-4(d), Hawaii Revised Statutes, in section 5 of this Act;
- (5) The title and subsection (a) of section 607-8, Hawaii Revised Statutes, in section 6 of this Act;
- (6) Section 633-8, Hawaii Revised Statutes, in section 7 of this Act;
- (7) Section 634-11, Hawaii Revised Statutes, in section 8 of this Act;
- (8) Section 634-12, Hawaii Revised Statutes, in section 9 of this Act;
- (9) Section 634-22, Hawaii Revised Statutes, in section 10 of this Act;
- (10) Section 634-29, Hawaii Revised Statutes, in section 11 of this Act;
- (11) Section 651-1, Hawaii Revised Statutes, in section 12 of this Act;
- (12) Section 652-1.5(a), Hawaii Revised Statutes, in section 13 of this Act;
- (13) Section 652-2, Hawaii Revised Statutes, in section 14 of this Act;
- (14) Section 652-2.5, Hawaii Revised Statutes, in section 15 of this Act;
- (15) Section 652-2.6(a), Hawaii Revised Statutes, in section 16 of this Act;
- (16) Section 654-2, Hawaii Revised Statutes, in section 17 of this Act;
- (17) Section 666-11, Hawaii Revised Statutes, in section 18 of this Act; and
- (18) Section 666-21(b), Hawaii Revised Statutes, in section 19 of this Act,

shall be reenacted in the form in which they read on the day prior to the effective date of this Act.”

SECTION 5. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect on June 29, 2015.

(Approved June 9, 2015.)

## ACT 102

H.B. NO. 142

A Bill for an Act Relating to Affordable Housing on Hawaiian Home Lands.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 46-15.1, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Each county shall recognize housing units developed by the department of Hawaiian home lands and issue affordable housing credits to the department of Hawaiian home lands [with respect to existing and future Hawaiian home lands projects upon a request for such credits by the department of Hawaiian home lands]. The credits shall be transferable and shall be issued on a [one-unit] one-credit for one-unit basis[-], unless the housing unit is eligible for additional credits as provided by adopted county ordinances, rules, or any memoranda of agreement between a county and the department of Hawaiian home lands. In the event that credits are transferred by the department of Hawaiian home lands, twenty-five per cent of any monetary proceeds from the transfer shall be used by the department of Hawaiian home lands to develop units for rental properties. Credits shall be issued for each single-family residence, multi-family unit, other residential unit, whether for purposes of sale or rental, or if allowed under the county’s affordable housing programs, vacant lot, developed by the department of Hawaiian home lands. The credits may be applied county-wide within the same county in which the credits were earned to satisfy affordable housing obligations imposed by the county on [market-priced] market-priced residential and non-residential developments. County-wide or project-specific requirements for [the location of affordable housing units;] housing class, use, or type; or construction time[-; or other county requirements] for affordable housing units shall not impair, restrict, or condition the county’s obligation to apply the credits in full satisfaction of all county requirements, whether by rule, ordinance, or particular zoning conditions of a project. Notwithstanding any provisions herein to the contrary, the department may enter into a memorandum of agreement with the county of Kauai to establish, modify, or clarify the conditions for the issuance, transfer, and redemption of the affordable housing credits in accordance with county affordable housing ordinances or rules. Notwithstanding any provisions herein to the contrary, the department may enter into a memorandum of agreement with the city and county of Honolulu to establish, modify, or clarify the conditions for the issuance, transfer, and redemption of the affordable housing credits in accordance with county affordable housing ordinances or rules. At least half of the affordable housing credits issued by the city and county of Honolulu shall be subject to a memorandum of agreement pursuant to this subsection.”

## ACT 103

For purposes of this section, “affordable housing obligation” means the requirement imposed by a county, regardless of the date of its imposition, to develop vacant lots, single-family residences, multi-family residences, or any other type of residence for sale or rent to individuals within a specified income range.”

SECTION 2. Nothing in this Act shall amend the terms and conditions agreed to by the department of Hawaiian home lands and any county for any affordable housing credits already issued to the department of Hawaiian home lands prior to the effective date of this Act.

SECTION 3. Act 141, Session Laws of Hawaii 2009, is amended by amending section 3 to read as follows:

“SECTION 3. This Act shall take effect on July 1, 2009; provided that on ~~[June 30, 2015;]~~ July 1, 2019, this Act shall be repealed and section 46-15.1, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day before the approval of this Act.”

SECTION 4. Act 98, Session Laws of Hawaii 2012, is amended by amending section 3 to read as follows:

“SECTION 3. This Act shall take effect upon its approval, and shall be repealed on ~~[June 30, 2015;]~~ July 1, 2019; provided that section ~~[46-15.1(b);]~~ 46-15.1, Hawaii Revised Statutes, shall be reenacted pursuant to section 3 of Act 141, Session Laws of Hawaii 2009~~[:]~~ and section 11<sup>1</sup> of Act 96, Session Laws of Hawaii 2014.”

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect on June 29, 2015.

(Approved June 9, 2015.)

### Note

1. So in original.

## ACT 103

H.B. NO. 1075

A Bill for an Act Relating to Health.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to ensure that the people presently served by the Maui regional system’s health care facilities continue to have access to health care services in their communities by discontinuing the Maui regional system’s direct delivery of those services and transferring one or more of the system’s facilities to a private entity, or its wholly-owned nonprofit management entity, to instead deliver those services.

There is mounting evidence that making health care services available in the communities where the Hawaii health systems corporation presently serves requires more cost-effective use of the facilities. Discussions to date suggest that through their existing shared services, equipment, staffing, administrative and

technological experience and expertise, and economies of scale, private entities may be able to use the corporation's health care facilities more economically and efficiently.

In Act 182, Session Laws of Hawaii 2009, the legislature authorized any of the regional systems or individual facilities of the Hawaii health systems corporation to transition into a new legal entity in any form recognized under the laws of the State. With the approval and support of its regional system board, the Maui regional system actively explored the possibilities of a public-private partnership allowed under section 323F-7.6, Hawaii Revised Statutes, including undertaking three formal solicitation efforts to gauge the interest of potential private partners locally and nationally.

In the course of the Maui regional system's exploration of possible ventures with private partners, that regional system contacted over twenty companies that operate in Hawaii and elsewhere in the United States. In 2012, the Maui regional system submitted confidential information and memoranda describing the operational and financial landscape of its facilities to twelve different companies and contacted an additional eight entities to explore their interest in a possible partnership. Over the course of these explorations, the Maui regional system engaged in serious and robust discussions with at least six preliminarily interested parties.

During the course of those efforts, the Hawaii health systems corporation determined that the majority of potential partners are hesitant to evaluate partnership opportunities without enabling legislation that addresses certain structural issues related to such a transaction. In recent years, the only private entity outside Hawaii that was willing to invest resources to evaluate a partnership opportunity concurrently with the pursuit of enabling legislation eventually withdrew its interest when such legislation was not adopted. Since then, the Maui regional system has engaged in discussions with other private entities, including one private entity that has indicated its willingness to continue discussions concurrently with the pursuit of enabling legislation.

Accordingly, this Act provides more detailed authority for establishing public-private partnerships in the Maui regional system to use one or more of the system's facilities more cost-effectively by discontinuing the system's provision of health care services at one or more of those facilities and transferring the right and responsibility to manage, operate and provide health care services in those facilities to one or more private entities or their nonprofit management entities.

SECTION 2. Chapter 323F, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

**"PART . PUBLIC-PRIVATE PARTNERSHIPS FOR THE DELIVERY  
OF HEALTH CARE SERVICES AT MAUI REGIONAL SYSTEM  
FACILITIES**

**§323F-A Definitions.** As used in this part:

"Nonprofit management entity" means a nonprofit organization duly authorized to transact business in the State, the sole shareholder or member of which is the private entity, whose principal purpose is to manage and operate a medical care facility.

"Pre-transfer facility" means a facility of the Maui regional system prior to its transformation into a transferred facility.

"Private entity" means a business organization duly authorized to transact business in the State that:

- (1) Has a certificate of need to operate one or more licensed hospitals in the State obtained from the state health planning and development agency pursuant to part V of chapter 323D; or
- (2) Is the sole member of a nonprofit management entity or hospital that has a certificate of need to operate one or more licensed hospitals in the State obtained from the state health planning and development agency pursuant to part V of chapter 323D.

“Transfer completion date” means the date specified as the transfer completion date in an agreement entered into pursuant to section 323F-B, including any extensions allowed under the terms of such agreement.

“Transferred facility” means a medical facility of the Maui regional system for which the right and responsibility to manage, operate, and otherwise provide health care services at the facility is transferred to a private entity or its nonprofit management entity pursuant to this part.

**§323F-B Transfer of right and responsibility to manage, operate, and provide health care services in a facility of the Maui regional system to a nonprofit management entity.** (a) Notwithstanding any other law to the contrary, including but not limited to section 27-1, section 76-16(b) and other sections of chapter 76, chapters 78, 89, 89A, 89C, and 171, part V of chapter 323D, and sections 323F-11 and 323F-31, the governor, with the assistance of the chief executive officer of the corporation, and the regional chief executive officer of the Maui regional system, or their designees, shall negotiate with a private entity to transfer the right and responsibility to manage, operate and otherwise provide health care services at one or more facilities of the Maui regional system, including Maui memorial medical center, Kula hospital and clinic, and Lanai community hospital, to a nonprofit management entity wholly-owned by the private entity; provided that the private entity submitted a statement of interest in response to a notice published in accordance with section 1-28.5 by the Maui regional system board, inviting private entities to submit statements of interest in acquiring the right and responsibility to manage, operate and otherwise provide health care services in one or more of the Maui regional system’s facilities.

(b) Any agreement negotiated by the governor and entered into by the private entity and the governor, the corporation board, and the Maui regional system board, shall, at minimum, include a transfer completion date and a plan and schedule for completing the transfer that includes:

- (1) Provisions and deadlines for conducting and completing due diligence;
- (2) Provisions and a deadline to terminate the agreement before a transfer is completed, at the parties’ respective option;
- (3) Provisions for winding-down operations at the transferred facility or facilities and for terminating the agreement in the event that the lease entered into pursuant to section 323F-D is terminated before the lease expires or the private entity or its nonprofit management entity abandons or otherwise discontinues its provision of health care services in a transferred facility; and
- (4) Provisions to transfer or assign interests in equipment and furnishings, including any leases for the same; accounts receivable; medicare and other provider agreements; business and commercial licenses and registrations; intellectual property and goodwill; administrative, financial, and medical records and information; or any other interests or property of the Maui regional system facility or facilities to be transferred under this part, that the parties agree to transfer or assign.

(c) On and after the transfer completion date for the transfer of one or more facilities of the Maui regional system to a private entity or its nonprofit management entity pursuant to this part, the State, the corporation, and the Maui regional system and its board shall cease to have any responsibility for or control over the management and operation of the facility or facilities transferred by the agreement pursuant to this part.

**§323F-C Approvals required.** Any documents associated with the transfer of a Maui regional facility or facilities under this part shall be subject to review by the attorney general and the director of finance in their capacity to advise the governor.

**§323F-D Real property; terms and conditions.** (a) The corporation shall enter into a fixed-term lease with the private entity or its nonprofit management entity to rent the real property, including all improvements and fixtures on the property, of the Maui regional system facility or facilities that is to be transferred to the private entity or its nonprofit management entity under this part.

(b) At minimum, the lease shall include the following terms and conditions:

- (1) The lease shall not be terminated other than for good cause and upon a minimum of three hundred sixty-five days prior written notice to ensure that the delivery of health care services to the community served will not be disrupted;
- (2) During the term of the lease, the private entity or its nonprofit management entity shall have exclusive control of all matters related to the management, operation, and provision of health care services in the leased facilities, except as otherwise set forth in the lease;
- (3) The responsibility to oversee the performance of the terms and conditions of the lease by the private entity or its nonprofit management entity shall rest with the Maui regional system board as the custodial caretaker of the real property under section 323F-3.5; and
- (4) The corporation or the State shall retain ownership of the leased property throughout the term of the lease.

**§323F-E Transfer or assignment of other business assets.** Provisions to transfer ownership or assign the interest of the corporation or the Maui regional system in some or all of the equipment and furnishings of the facility or facilities transferred to the private entity or its nonprofit management entity under this part shall be included in the lease entered into under section 323F-D.

**§323F-F Liabilities.** (a) The State, the Maui regional system board, or the corporation, separately or collectively, shall be responsible for any and all obligations incurred by the facility or facilities to be transferred, the Maui regional system, or the corporation prior to the transfer completion date including any accounts payable, accrued paid time off, debt, capital leases, malpractice liabilities, and other obligations incurred before the transfer completion date. Any and all liabilities of the pre-transfer facility that were transferred to the corporation upon its creation by Act 262, Session Laws of Hawaii 1996, all liabilities of the pre-transfer facility related to collective bargaining contracts negotiated by the State, and the liability for all current outstanding post-employment benefits of the regional system or the corporation shall remain the responsibility of the State.



(b) All liabilities arising out of a transferred facility's management and operation in a transferred facility, on or after the transfer completion date, shall be the responsibility of the private entity or its nonprofit management entity.

**§323F-G Employment, wages, and benefits.** (a) The corporation and the unions representing employees of the facility or facilities shall meet to discuss the impact of a transfer on the employees and the feasibility of tempering the adverse effect of layoffs by amending the employees' collective bargaining agreements pursuant to section 89-8.5.

(b) The employees working at a transferred facility shall be subject to laws and regulations that apply to private sector employees. The employees of a private entity or its nonprofit management entity shall not be governed by state laws that apply to public officers and employees of the State including but not limited to section 76-16(b) and all other sections of chapter 76, chapters 89, 89A, and 89C, and any other laws and regulations that govern public or government employment in the State.

(c) The private entity or its nonprofit management entity shall offer all employees of the pre-transfer facility, employment for a period of no less than six months after the transfer completion date.

(d) No employee of the corporation who is separated from service as a result of implementation of an agreement and transfer under this part shall suffer any loss of any previously earned rights, benefits or privileges.

(e) Subject to subsection (c), the private entity or its nonprofit management entity shall take all reasonable steps necessary to provide for a smooth transition of employees from state employment to private employment by the private entity or its nonprofit management entity at a transferred facility.

**§323F-H Operating support.** (a) Without regard to chapter 42F, the private entity or its nonprofit management entity to which one or more of the facilities of the Maui regional system has been transferred pursuant to this part may seek funds from the State for its operating costs, as defined in section 37-62, of a transferred facility by preparing a budgetary request in accordance with procedures and criteria established by the director of finance. In no event shall the amount requested exceed the amount appropriated for the operating costs of the Maui regional system for the 2014 fiscal year. The director of finance shall review the request and may include some or all of the amount requested in the executive budget of the department of health. Any appropriation made in response to the request shall be subject to the allotment system generally applicable to all appropriations made by the legislature. The department of health shall be responsible for transferring the funds allotted to the private entity or its nonprofit management entity for expenditure.

(b) To qualify to request funds from the State under this section, the private entity or its nonprofit management entity to which one or more of the facilities of the Maui regional system has been transferred pursuant to this part shall satisfy the following standards and conditions:

- (1) Be duly authorized to transact business in the State, and determined and designated to be a nonprofit organization by the Internal Revenue Service;
- (2) Be licensed and accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities for which funding is sought;
- (3) Have a governing board whose members have no material conflict of interest and serve without compensation;

- (4) Have bylaws or policies that describe the manner in which business is conducted, prohibit nepotism, and provide for the management of potential conflict of interest situations;
- (5) Be in compliance with all of the requirements of chapter 323D with respect to the transferred facility and any other health care facility it operates;
- (6) Submit tax clearances from the director of taxation and the Internal Revenue Service to the effect that all tax returns due have been filed and all taxes, interest, and penalties levied or accrued against have been paid;
- (7) Submit to an annual audit, disclose revenue projections, and prepare an annual internal performance audit and itemized financial statements, including reimbursement rates, with respect to the transferred facility, to the extent practicable, in the same manner as described in section 323F-22; and
- (8) Submit its annual budget with respect to a transferred facility to the legislature for review at least twenty days prior to the convening of the regular legislative session.

**§323F-I Capital project support.** (a) Without regard to chapter 42F, the private entity or its nonprofit management entity to which one or more of the facilities of the Maui regional system has been transferred pursuant to this part may seek funds from the State for capital expenditures, as that term is defined in section 37-62, for a transferred facility for each or all of the first ten years of the lease entered into under section 323F-D. Each year's request for funds shall be submitted to the director of finance in accordance with procedures and criteria established by the director and shall be reviewed by the director and comptroller with pertinent capital planning and expenditure documents and the capital planning procedures supplied by the private entity or its nonprofit management entity. The director of finance may include some or all of the funds requested in the executive budget of the department of health. Any appropriation made in response to a request shall be subject to the allotment system generally applicable to all appropriations made by the legislature. The department of health shall be responsible for transferring the funds allotted to the private entity or its nonprofit management entity for expenditure.

(b) After the first ten years of the lease entered into under section 323F-D, the nonprofit management entity and the private entity shall be responsible for funding all capital expenditures of the transferred facility.

(c) To qualify to request funds from the State under this section, the private entity or its nonprofit management entity shall satisfy all of the standards and conditions set out in section 323F-H(b). In addition, the transferred facility shall demonstrate that the capital projects constructed, operated, and maintained with the requested funds will be in compliance with all federal, state, and county health care planning laws and rules, land use and zoning laws and rules, environmental laws and rules, and building and health codes, rules, and regulations.

**§323F-J Strategic commitment during term of lease.** (a) The private entity shall be committed to supporting the nonprofit management entity and any transferred facility to achieve excellence and improve access to services in Maui county.

(b) The private entity and the nonprofit management entity shall establish a governance and management structure for a transferred facility that seeks to improve its performance. The private entity and the nonprofit management entity shall apply efficiencies of scale, consolidation of shared services, and ad-

ministrative and technological expertise to improve the health care performance of a transferred facility.

(c) The private entity and the nonprofit management entity shall support a transferred facility in:

- (1) Expanding primary care access throughout Maui;
- (2) Recruiting and rotating specialists to fill current service gaps;
- (3) Extending the private entity or its nonprofit management entity's service line coordination to Maui, including but not limited to cancer, cardiology, orthopedics, mental health, pediatrics, and women's health services;
- (4) Coordinating long-term care patients and reducing wait lists;
- (5) Upgrading facilities and equipment as needed to provide high quality care and to enhance patient experience; and
- (6) Incorporating the Maui region into the private entity or its nonprofit management entity's value-based contracting initiatives to better align quality and cost initiatives."

SECTION 3. Section 89-8.5, Hawaii Revised Statutes, is amended to read as follows:

**"§89-8.5<sup>1</sup> Negotiating authority; Hawaii health systems corporation.** Notwithstanding any law to the contrary, including section 89-6(d), the Hawaii health systems corporation or any of the regional boards, as a sole employer negotiator, may negotiate with the exclusive representative of any appropriate bargaining unit and execute memorandums of understanding for employees under its control to alter any existing or new collective bargaining agreement on any item or items subject to section 89-9[-]; provided that an alteration that intrudes beyond the jurisdiction of the Hawaii health systems corporation shall be effective only if the employer of the governmental jurisdiction intruded upon consents to the alteration in writing."<sup>2</sup>

SECTION 4. The governor shall inform the president of the senate and the speaker of the house of representatives of the transfer completion date specified in each agreement negotiated and entered into pursuant to chapter 323F, part , Hawaii Revised Statutes, by sending the president and the speaker each a copy of each fully executed agreement.

SECTION 5. In codifying the new sections added by section 2 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect upon its approval; provided that the amendment made to section 89-8.5, Hawaii Revised Statutes, in section 3 of this Act shall be repealed one year after the transfer completion date specified in an agreement negotiated and entered into under chapter 323F, part , Hawaii Revised Statutes, and section 89-8.5, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day prior to the effective date of this Act.

(Approved June 10, 2015.)

**Notes**

1. Prior to amendment brackets appeared around section number.
2. Period should be underscored.

## ACT 104

H.B. NO. 547

A Bill for an Act Relating to the University of Hawaii.

*Be It Enacted by the Legislature of the State of Hawaii:*

## PART I

SECTION 1. The legislature finds that the establishment of a graduation pathway system, with its potential to strengthen educational outcomes for higher education students across the State, as well as enhance the management efficiency for delivery of higher education, is a matter of statewide concern.

The purpose of this part is to require the University of Hawaii to develop the graduation pathway system, including elements such as structured, default pathways to graduation; academic maps; and intrusive advising.

SECTION 2. Chapter 304A, Hawaii Revised Statutes, is amended by adding a new section to subpart A of part I to be appropriately designated and to read as follows:

“§304A- **Graduation pathway system.** (a) The university shall provide guidance to students to increase the rate of on-time graduation. In providing such guidance, the university shall develop a graduation pathway system to direct students toward appropriate options to complete a major course of study, graduate within a reasonable period of time, and understand the dynamics of the local employment market.

(b) In developing the graduation pathway system, the university shall include elements such as structured, default pathways to graduation; academic maps with sequential scheduling of classes; intrusive advising; data on the dynamics of the local employment market, including the availability of employment; and other elements as appropriate to provide guidance to students toward timely graduation.”

SECTION 3. The University of Hawaii shall submit a report to the legislature on its efforts to explore administrative measures to provide guidance to students within the University of Hawaii system to increase the rate of on-time graduation, including updates on progress toward the development of the graduation pathway system, no later than twenty days prior to the convening of the regular session of 2016.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$500,000 or so much thereof as may be necessary for fiscal year 2015-2016 for the development of the graduation pathway system identified in section 2 of this Act; provided that the graduation pathway system shall, among other things, allow students at the University of Hawaii to register for classes.

The sum appropriated shall be expended by the University of Hawaii for the purposes of this Act.

## PART II

SECTION 5. There is appropriated from the university revenue-undertakings fund the sum of \$5,640,000 or so much thereof as may be necessary for fiscal year 2015-2016 for renovations, repairs, and improvements to the John A. Burns school of medicine.

The sum appropriated represents only the amount derived from interest earnings accrued from the proceeds of University of Hawaii revenue bonds sold for the John A. Burns school of medicine, which remain available in the university revenue-undertakings fund. This authorization shall lapse on June 30, 2018.

The sum appropriated shall be expended by the University of Hawaii for the purposes of this Act.

**PART III**

SECTION 6. New statutory material is underscored.<sup>1</sup>

SECTION 7. This Act shall take effect on July 1, 2015.

(Approved June 12, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 105**

H.B. NO. 850

A Bill for an Act Relating to the Agricultural Extension Service.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the University of Hawaii college of tropical agriculture and human resources is in critical need of personnel for its cooperative extension service to improve and strengthen Hawaii's sustainability in agriculture through educational programs. The college houses a cooperative extension service that partners with federal, state, and county governments, with the responsibility to provide science-based information and education programs in agriculture, natural resources, and human resources. The extension offices are located throughout the State, with roughly twenty-five extension agents state-wide. The cooperative extension service provides valuable tools that the public can use to strengthen communities and sustain Hawaii's agricultural economy. Extension personnel provide various services to the communities within each county, ranging from individual consultations, educational workshops, and short courses on relevant subjects, including agriculture, home economics, family living, 4-H and other youth activities, nutrition, and health.

The legislature also finds that, over the past twenty years, the college of tropical agriculture and human resources' cooperative extension service has experienced a forty-three per cent decrease in extension agents who service the various counties, including a twenty-seven per cent decrease since 2008. Many of the community services that the extension service offers have been cut as a result of the decrease.

The purpose of this Act is to address the budgetary shortfalls experienced by the University of Hawaii college of tropical agriculture and human resources' cooperative extension service by appropriating moneys for critical unfunded positions.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$350,000 or so much thereof as may be necessary for fiscal year 2015-2016 for four full-time equivalent (4.00 FTE) positions in the cooperative extension service administered by the University of Hawaii college

of tropical agriculture and human resources; provided that the positions shall be deemed critical to accomplishing the purpose of the cooperative extension service program; and provided further that one position shall be assigned to each county.

The sum appropriated shall be expended by the University of Hawaii for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2015.

(Approved June 12, 2015.)

## ACT 106

S.B. NO. 160

A Bill for an Act Relating to University of Hawaii Non-General Funds.

*Be It Enacted by the Legislature of the State of Hawaii:*

### PART I

SECTION 1. Chapter 304A, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§304A- University of Hawaii quasi-endowment trust fund. There is established the University of Hawaii quasi-endowment trust fund into which shall be deposited income derived from the university’s endowment fund. Income deposited into this account may be expended by the university as set forth by the board of regents in policies and guidelines for costs and expenses associated with student financial aid programs, including scholarships and student support services, awards, and project opportunities for the university.”

### PART II

SECTION 2. The purpose of this part is to reclassify the Hawaii educator loan program special fund as a revolving fund.

SECTION 3. Section 304A-701, Hawaii Revised Statutes, is amended by amending subsection (g) to read as follows:

“(g) In accordance with chapter 103D, the university may enter into written contracts with collection agencies for the purpose of collecting delinquent loans. All payments collected, exclusive of a collection agency’s commissions, shall revert, and be credited, to the Hawaii educator loan program [special] revolving fund. A collection agency that enters into a written contract with the university for the collection of delinquent loans pursuant to this section may collect a commission from the debtor in accordance with the terms of, and up to the amounts authorized in, the written contract.”

SECTION 4. Section 304A-703, Hawaii Revised Statutes, is amended to read as follows:

“~~§304A-703~~ Capacity of minors in qualifying for Hawaii educator loans. Any student otherwise qualifying for a loan under the Hawaii educator loan program [special] revolving fund shall not be disqualified because the student is under the age of eighteen years, and for the purpose of applying for, receiving, and repaying the loan, any such person shall be deemed to have full

legal capacity to act and shall have all rights, powers, privileges, and obligations of an adult with respect thereto.”

SECTION 5. Section 304A-704, Hawaii Revised Statutes, is amended to read as follows:

“~~[[§304A-704]]~~ **Rules governing Hawaii educator loan program [special] revolving fund.** The university may adopt rules to implement the Hawaii educator loan program. The rules shall be adopted pursuant to chapter 91 but shall be exempt from the public notice and public hearing requirements.”

SECTION 6. Section 304A-2161, Hawaii Revised Statutes, is amended to read as follows:

“~~[[§304A-2161]]~~ **Hawaii educator loan program [special] revolving fund.** There is established the Hawaii educator loan program [special] revolving fund, for the purpose of providing loans pursuant to section ~~[[304A-701]]~~. ~~[The following may be deposited into the special fund: appropriations]~~ **Appropriations** made by the legislature, private contributions, repayment of loans, including interest and payments received on account of principal, and moneys from other sources~~;~~ **provided that:**

- ~~(1)~~ Moneys on balance in the special fund at the close of each fiscal year shall remain in that fund and shall not lapse to the credit of the general fund; and
- ~~(2)~~ shall be deposited into the revolving fund and shall be expended by the University. An amount from the [special] revolving fund not exceeding five per cent of the total amount of outstanding loans may be set by the university to be used for administrative expenses incurred in administering the [special] revolving fund.”

### PART III

SECTION 7. The purpose of this part is to repeal the Hawaii medical education special fund.

The legislature finds that the fund no longer serves the purpose for which it was created, does not meet the criteria for a special fund, and should be repealed.

SECTION 8. Section 304A-1702, Hawaii Revised Statutes, is amended by amending subsections (b), (c), and (d) to read as follows:

~~“[(b) The program shall be funded with moneys received for graduate medical education and deposited into the Hawaii medical education special fund established under section [304A-2164].~~

~~(e)]~~ ~~(b)~~ All funding for the graduate medical education program shall be nonlapsing.

~~(d)]~~ ~~(c)~~ Program moneys shall only be expended if:

- (1) Approved by the medical education council; and
- (2) Used for graduate medical education in accordance with sections ~~[[304A-1704]]~~ and ~~[[304A-1705]]~~.”

SECTION 9. Section 304A-2164, Hawaii Revised Statutes, is repealed.

## PART IV

SECTION 10. The purpose of this part is to repeal the discoveries and inventions special fund.

The legislature finds that the fund does not meet the criteria for a special fund and should be repealed.

SECTION 11. Section 304A-2253, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) Notwithstanding [~~sections~~] section 304A-107 [~~and 304A-2174~~] to the contrary, the board of regents, or its designee, may establish a separate account within the research and training revolving fund for the purpose of providing advance funding to meet reimbursable costs incurred in connection with federally financed research and training projects. Any reimbursement received as a result of providing advance funding shall be deposited into the research and training revolving fund to be used for the purpose of meeting reimbursable costs incurred in connection with federally financed projects.”

SECTION 12. Section 304A-2174, Hawaii Revised Statutes, is repealed.

## PART V

SECTION 13. The purpose of this part is to repeal the University of Hawaii alumni special fund.

The legislature finds that the fund no longer serves the purpose for which it was created and should be repealed.

SECTION 14. Section 304A-2175, Hawaii Revised Statutes, is repealed.

## PART VI

SECTION 15. The purpose of this part is to repeal the animal research farm, Waialeale, Oahu special fund.

The legislature finds that the fund no longer serves its original purpose, does not meet the criteria for a special fund, and should be repealed.

SECTION 16. Section 304A-2177, Hawaii Revised Statutes, is repealed.

## PART VII

SECTION 17. The purpose of this part is to reclassify the professional student exchange program special fund as a revolving fund.

SECTION 18. Section 304A-2179, Hawaii Revised Statutes, is amended to read as follows:

“~~§304A-2179~~ **Professional student exchange program [special] revolving fund.** (a) There is established a professional student exchange program [~~special~~] revolving fund to be administered and expended by the Hawaii commission.

(b) The following moneys shall be deposited into the [~~special~~] revolving fund:

- (1) Principal and interest payments received as repayment of financial support from former or current participants of the professional student exchange program, pursuant to section 304A-3209; and



- (2) Interest earned or accrued on moneys in the [special] revolving fund.
- (c) Moneys in the [special] revolving fund shall be expended to:
- (1) Support the professional student exchange program's activities, including the provision of financial support to participants at Western Interstate Commission for Higher Education receiver institutions; and
- (2) Enforce the collection of delinquent obligations."

**PART VIII**

SECTION 19. The purpose of this part is to repeal the career and technical training projects revolving fund for the University of Hawaii at Hilo. The legislature finds that the revolving fund is not necessary.

SECTION 20. Section 304A-2268, Hawaii Revised Statutes, is repealed.

**PART IX**

SECTION 21. The purpose of this part is to repeal the Senator Hiram L. Fong scholarship program endowment trust fund.

The legislature finds that the fund does not serve the purpose for which it was created and should be repealed.

SECTION 22. Section 304A-2353, Hawaii Revised Statutes, is repealed.

**PART X**

SECTION 23. The purpose of this part is to repeal the Senator Oren E. Long scholarship program endowment trust.

The legislature finds that the fund does not serve the purpose for which it was created and should be repealed.

SECTION 24. Section 304A-2354, Hawaii Revised Statutes, is repealed.

**PART XI**

SECTION 25. The purpose of this part is to repeal the Hawaii health corps revolving fund.

The legislature finds that the fund is inactive and should be repealed.

SECTION 26. Section 309H-6, Hawaii Revised Statutes, is repealed.

**PART XII**

SECTION 27. The following funds are abolished:

- (1) The hurricane Iniki insurance proceeds special fund administratively established in 1993 and administered by the University of Hawaii;
- (2) The agency fund trust account administratively established prior to July 1985 and administered by the University of Hawaii; and
- (3) The University of Hawaii Okinawa program trust fund administratively established in 1968 and administered by the University of Hawaii,

and any unencumbered balances remaining shall lapse to the credit of the general fund.

## PART XIII

SECTION 28. On July 1, 2015, all unencumbered balances remaining in the accounts and funds repealed by this Act shall lapse to the credit of the general fund.

## PART XIV

SECTION 29. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

SECTION 30. This Act shall take effect on July 1, 2015.

(Approved June 12, 2015.)

## Note

1. Edited pursuant to HRS §23G-16.5.

## ACT 107

H.B. NO. 11

A Bill for an Act Relating to Teachers.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 302A-706, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) There is established within the department the teacher national board certification incentive program to recognize and support exemplary teaching practice by supporting public school teachers who have achieved national board certification under the certification program of the National Board for Professional Teaching Standards. The teacher national board certification incentive program shall provide:

- (1) A \$5,000 bonus per year for each public school teacher who maintains current national board certification;
- (2) \$1,500 upon completing all components of the certification program of the National Board for Professional Teaching Standards;
- (3) A reimbursement of the remainder of the national board certification application fee upon achievement of national board certification; and
- (4) An additional \$5,000 bonus per year for each public school teacher who maintains current national board certification and who teaches at:
  - (A) A school ~~[that is in restructuring under the No Child Left Behind Act, Public Law 107-110;]~~ in a focus, priority, or superintendent's zone, or other similar designation, as determined by the department;
  - (B) A school with a high turnover rate, as determined by the department; or
  - ~~[(C) A school that is not making adequate yearly progress, but is not in restructuring under the No Child Left Behind Act, Public Law 107-110; or~~
  - ~~(D)]~~ (C) A hard-to-fill school, as determined by the department.”

ACT 108

SECTION 2. This Act shall be applied retroactively to bonuses for the 2014 calendar year; provided that payment of such 2014 bonuses shall be made during the 2015 calendar year, in addition to any other bonuses for which the teacher is eligible for the 2015 calendar year.

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved June 12, 2015.)

ACT 108

H.B. NO. 821

A Bill for an Act Relating to Early Childhood Education.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to:

- (1) Amend or repeal various early childhood education provisions of chapter 302A, Hawaii Revised Statutes, that fall under the purview of the executive office on early learning, and not the department of education, or are covered by another section of the Hawaii Revised Statutes; and
- (2) Amend various provisions of chapter 302L, Hawaii Revised Statutes, relating to the executive office on early learning, for housekeeping purposes.

SECTION 2. Chapter 302L, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§302L- Federal funds. The office may use and expend federal funds for the purpose of early childhood education.”

SECTION 3. Section 302L-1, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

““Early childhood education” means a developmentally appropriate early childhood development and education program for children from birth until the time they enter kindergarten.”

SECTION 4. Section 302A-101, Hawaii Revised Statutes, is amended as follows:

1. By adding a new definition to be appropriately inserted and to read: ““Early childhood education” means a developmentally appropriate early childhood development and education program for children from birth until the time they enter kindergarten.”

2. By repealing the definition of “early education”:  
[~~““Early education” means a developmentally appropriate early childhood development and education program for children from birth to eight years of age.”~~]

SECTION 5. Section 302A-1128, Hawaii Revised Statutes, is amended to read as follows:

**“§302A-1128 Department powers and duties.** The department shall have entire charge and control and be responsible for the conduct of all affairs pertaining to public instruction in the public schools the department establishes and operates, including operating and maintaining the capital improvement and repair and maintenance programs for department and school facilities. The department may establish and maintain schools for secular instruction at such places and for such terms as in its discretion it may deem advisable and the funds at its disposal may permit. The schools may include high schools, kindergarten schools, schools or classes for early childhood education, boarding schools, Hawaiian language medium education schools, and evening and day schools. The department may also maintain classes for technical and other instruction in any school where there may not be pupils sufficient in number to justify the establishment of separate schools for these purposes.”

SECTION 6. Section 302A-1401, Hawaii Revised Statutes, is amended to read as follows:

**“§302A-1401 Administration and use of federal funds**~~], including early education]. [(a)]~~ The board, designated as the administrators of such funds as may be allotted to the State under federal legislation for public educational purposes, subject to such limitations as may be imposed by congressional action, shall use and expend the funds:

- (1) To improve the program of the public schools of the State, including any grades up to the fourteenth grade or such lower grade as shall be prescribed as a maximum for such purposes by the Act of Congress concerned, by expanding the educational offerings, particularly in the rural districts;
- (2) For the payment of salaries to teachers;
- (3) To employ additional teachers to relieve overcrowded classes;
- (4) To adjust the salaries of teachers to meet the increased cost of living, within such limits as may be fixed by, and pursuant to, state law;
- (5) To provide for the purchase of supplies, apparatus, and materials for the public schools; and
- (6) For any of such purposes and to such extent as shall be permitted by the Acts of Congress concerned.

~~[(b) The board shall organize and conduct a program of public early education to the extent that funds provided therefor by the United States government are, or from time to time may become, available. In establishing and carrying on the early education, any such federal funds shall be expended during any school year as nearly as practicable in each of the school supervisory districts of the State in the proportion that the number of inhabitants of each district of less than six years of age bears to the total number of the inhabitants of the entire State within the age limits, as shown by the latest report of the department of health preceding the opening of the school year.]”~~

SECTION 7. Section 302L-1.5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The head of the executive office on early learning shall be known as the director of the executive office on early learning, hereinafter referred to as director. The director shall:

- (1) Be appointed by the governor;
- (2) Have professional training in the field of social work, education, or other related fields;

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- (3) Have direct experience in programs or services related to early childhood education;
- (4) Have recent experience in a supervisory, consultative, or administrative position;
- (5) Be paid a salary set by the governor that shall not exceed ninety per cent of the salary of the director of human resources development; and
- (6) Be included in any benefit program generally applicable to the officers and employees of the State.”

SECTION 8. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

SECTION 9. This Act shall take effect on July 1, 2015.

(Approved June 12, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 109**

H.B. NO. 820

A Bill for an Act Relating to Public Early Childhood Education.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Significant research affirms that the experiences children have, and the environments in which they develop, during their earliest years can have a lasting impact on their later success in school and life. When provided with the opportunity for high-quality early childhood education, children are more likely to succeed in kindergarten and beyond and grow into capable adults who contribute positively to the larger community. They are more likely to reach higher levels of educational attainment, earn higher salaries, and can even be healthier.

The legislature finds that high-quality early childhood education programs also generate significant returns on investment for society as a whole; to such an extent that some of the country’s most respected economists are now touting early childhood education as an economic development strategy. Investments in early childhood education yield a return far exceeding the return on most public projects considered to spur economic development. Several of the most rigorous long-term studies done in this area determined that returns are between \$4.00 and \$9.00 for every dollar invested. These returns are realized in the form of reduced welfare, crime, and special education costs; reduced homelessness and substance abuse; and increased tax revenues from program participants later in life. This was validated for Hawaii in a 2008 study commissioned by the Good Beginnings Alliance, which found a return of more than \$4.00 for every dollar invested in high-quality early childhood education for this State.

Of particular concern to the legislature are Hawaii’s low-income children. Currently, one in six children lives in poverty in Hawaii, making children the poorest members of our society according to 2013 data reported by the University of Hawaii Center on the Family. This number is alarming because an impoverished childhood leads to a greater risk of teen pregnancy, failure to graduate from high school, poor health, and lack of secure employment in later years. If

left without the opportunity for early childhood education, this population has a significantly reduced chance for success later in life.

As stated in the 2010 national report "Learning to Read" by the Annie E. Casey Foundation, if "we don't get dramatically more children on track as proficient readers, the United States will lose a growing and essential proportion of its human capital to poverty, and the price will be paid not only by individual children and families, but by the entire country". Reading proficiency is the leading indicator of long-term academic and life success. High school dropout rates are closely correlated with the inability to read proficiently by the end of grade three, and the shortfall in reading proficiency is especially pronounced among low-income children.

Reading proficiency is directly undermined by lack of school readiness. If a child does not arrive at kindergarten ready to learn, the child is likely to struggle to keep up and then may eventually lose the interest and motivation necessary to learn. The resulting achievement gap will only widen with each subsequent year of schooling.

All children need high-quality, developmentally-appropriate early childhood education programs to enable them to arrive at school ready to learn. The legislature finds, however, that too many of Hawaii's children enter kindergarten with inadequate preparation. According to the Hawaii State School Readiness Assessment for the 2012-2013 school year, forty-three per cent of children in public school kindergartens had not attended a prekindergarten program. Moreover, according to data reported by the University of Hawaii Center on the Family in 2013, seventy-five per cent of fourth graders are not reading proficiently.

High-quality early childhood education can help close the achievement gap between children of different socioeconomic backgrounds. In 2013, the Academic Pediatric Association's Task Force on Childhood Poverty identified the provision of high-quality early childhood programs and high-quality affordable child care to poor families as one of the key strategies to reducing poverty. Studies have proven that high-quality early childhood education programs are especially effective for children from low-income families, as well as children who are otherwise disadvantaged. These programs are one of the strongest factors in school readiness for children from low-income families because of the potential to alter their lifetime trajectories for success.

The legislature finds, however, that every child, regardless of the child's socioeconomic status, can benefit from early childhood education. According to the 2010 national report entitled "Learning to Read", three-quarters of children from families with moderate or high incomes are not ready for school at kindergarten entry. More than ninety per cent of kindergarten classrooms in department of education schools reported that students did not meet benchmarks in all dimensions of school readiness, including literacy, math, and school behaviors. Unfortunately, studies show that students who struggle early in school rarely catch up and consequently have less than a one-in-three chance of being ready for college or a career at the end of high school.

The legislature further finds that early childhood education will benefit kindergarten through twelfth grade teachers in the State because when children enter their classrooms better prepared, teachers spend less time remediating individual students, thereby allowing them to focus their time and energy on helping all of their students master the knowledge and content necessary to academically progress on time.

While it has been reported by some studies of the federal Head Start program that the benefits of early learning disappear by the third grade, reliable studies have found that gains made in life skills do not diminish over time. Graduates of Head Start, a federal program that promotes school readiness for

children from low-income families, were less likely to repeat grades or be diagnosed with a learning disability and more likely to graduate from high school and attend college.

Guided by this robust research on early childhood education, the executive office on early learning has been developing a program that will provide access to high-quality early childhood education for all of Hawaii's children. Hawaii ranks twenty-seventh among the least affordable states for center-based programs for a four-year-old. In 2012, the average annual cost of a full-time center-based program for a four-year-old in Hawaii was \$8,172, which is more than nine per cent of the state median income for a married couple. Consequently, although low-income families require the most assistance, many moderate-income families, especially those who are just entering the middle class, also struggle to meet the cost of early learning on their own. According to United States Census Bureau estimates, there are more than seventeen thousand four-year-olds in Hawaii in any given year, many of whom will require assistance to access high-quality early childhood education and the benefits it provides.

Through the prekindergarten program developed by the executive office on early learning, the State will be able to:

- (1) Build capacity to serve children in the year prior to kindergarten eligibility; and
- (2) Institute a high level of quality instruction, linked to children's educational outcomes, which research emphasizes is necessary to produce significant positive outcomes for children both in the near- and long-terms.

Act 122, Session Laws of Hawaii 2014, the Supplemental Appropriations Act, included \$3,000,000 for prekindergarten programs in fiscal year 2015, marking a significant investment of state funds in prekindergarten in Hawaii. These funds provided for the launch of the executive office on early learning prekindergarten program, which launched successfully in eighteen public elementary schools statewide in the 2014-2015 school year, and benefitted more than four hundred four-year-old children. The program institutes high-quality early childhood education standards, with each classroom staffed by a department of education teacher and educational assistant who benefit from continual professional development opportunities, including coaching and mentoring support provided by resource teachers with master's degrees and extensive knowledge in early childhood education. This Act provides statutory authority for the executive office on early learning's prekindergarten program.

There have also been several experimental public prekindergarten programs funded through Hawaii's Race to the Top grant. Other existing school-based programs consist of special education programs staffed by department of education special education teachers and those participating in the pre-plus program, which is a public-private partnership through which seventeen preschool facilities have been developed and built on public elementary school campuses with private, department of human services-licensed preschool providers contracted to operate them.

The executive office on early learning prekindergarten program requires the use of high-quality standards that are linked to children's educational outcomes. Research has shown that there are certain components that are associated with an early childhood education program's ability to produce positive education outcomes. Although the early childhood field lacks consensus on a single approach for categorizing factors that define program quality, there are two broad dimensions commonly associated with promoting higher rates of learning and development in children—structural aspects, such as physical environment, child-caregiver ratios, group size, caregiver qualifications, caregiver compensa-

tion, and the quality of curriculum and intentional teaching. Recent research has shown that curriculum and intentional teaching have a more significant impact on children's outcomes, and is the basis for the high-quality standards that are required by the executive office on early learning's program. The standards include teacher-child interactions, individual child formative assessments, and family engagement.

There is substantial evidence that children who attend early childhood education programs are significantly affected by their interactions with teachers. Recent studies, such as "Features of Pre-Kindergarten Programs, Classrooms, and Teachers: Do They Predict Observed Classroom Quality and Child-Teacher Interactions?", authored by Robert Piana, Crollee Howes, Margaret Burchinal, Donna Bryant, Richard Clifford, Diane Early, and Oscar Barbarin, have found that of the five quality indicators most often used in program evaluation systems, teacher-child interactions were the strongest predictor of children's learning.

Another key indicator linked to children's outcomes is the use of a curriculum that is based on child development. The degree to which it is fully implemented is dependent on the use of an ongoing, authentic child assessment that is used to individualize and is both intellectually rich and broad enough to meet children's social and emotional development needs. These are known as formative assessments.

Research has also demonstrated that high-quality programs involve families who communicate on an ongoing basis. Through various family engagement strategies, high-quality programs can better engage families in their children's learning, especially in acquiring the skills associated with kindergarten readiness. The prekindergarten program developed by the executive office on early learning incorporates all of these best practices.

Furthermore, a state-funded early childhood education program continues decades of work by the legislature to advance early learning in the State.

In 1989, state funding was approved for the preschool open doors program to help families pay for child care at participating preschools using a sliding fee scale based on ability to pay. Components included child development workshops and staff development for the preschools.

In 1991, the University of Hawaii board of regents created the University of Hawaii Center on the Family in response to S.C.R. No. 82 (1989), to enhance the well-being of Hawaii's families through interdisciplinary research, education, and community outreach. Early childhood education was one of the focal areas.

In 1997, the legislature passed Act 77, Session Laws of Hawaii 1997, which:

- (1) Recognized a public-private partnership between the State and Good Beginnings Alliance, a private nonprofit corporation created as a focal point for policy development and dedicated to enhancing, developing, and coordinating quality early childhood education and care services;
- (2) Tasked the Good Beginnings Alliance with overseeing at least four community councils in each county to develop plans to provide services to children and families and possible local funding sources; and
- (3) Established an interdepartmental council to assist with the work.

In 1998, the legislature adopted H.C.R. No. 38 (1998), which established in state policy the goal that "all of Hawaii's children will be safe, healthy and ready to succeed".

In 2002, the legislature passed Act 177, Session Laws of Hawaii 2002, which appropriated capital improvement funds to build preschools on elementary school campuses throughout the State. The lieutenant governor's office



assumed planning oversight for the pre-plus program until oversight was transferred to the department of human services and subsequently to the executive office on early learning.

In Act 13, Session Laws of Hawaii 2002, the legislature led the nation by statutorily defining “school readiness”, which acknowledged the joint responsibility of families, schools, and communities in preparing children for lifelong learning.

In 2004, the legislature passed Act 219, Session Laws of Hawaii 2004, which established an unfunded, two-tiered junior kindergarten and kindergarten program in the department of education beginning with the 2006-2007 school year.

In 2005, the legislature passed Act 151, Session Laws of Hawaii 2005, which created the early childhood education task force with the understanding that young children are ready to have successful learning experiences when there is a positive interaction among the child’s developmental characteristics, school practices, and family and community support.

In 2006, the legislature passed Act 259, Session Laws of Hawaii 2006, which established the early learning educational task force to develop a five-year plan for a comprehensive and sustainable early learning system. The plan, completed prior to the regular session of 2008, included detailed costs for the establishment and operation of an early learning system in Hawaii that would include children from birth to age five. It also included, as requested by the legislature, an implementation and financing schedule that begins with services to four-year-old children and proceeds to younger age groups; mechanisms to ensure cross-sector and interdepartmental collaboration; measures to ensure the continuing professional development of teachers and administrators; and provisions for the promotion of the importance of early learning to families, policymakers, and the general public.

In 2008, the legislature passed Act 14, Special Session Laws of Hawaii 2008, which established the State’s early learning system, known as keiki first steps. The legislature recognized that a preschool setting might be a more appropriate placement than junior kindergarten. Act 14:

- (1) Established the early learning council, which was attached to the department of education for administrative purposes only, to develop and administer the early learning system to benefit all children throughout the State, from birth until the time they enter kindergarten;
- (2) Established the keiki first steps grant program;
- (3) Established the pre-plus program within the department of human services and designated the department of human services and department of education to work collaboratively to develop suitable pre-plus classrooms on department of education campuses statewide, including conversion charter school campuses; and
- (4) Promoted the development of early learning facilities.

In 2009, the legislature passed Act 194, Session Laws of Hawaii 2009, which:

- (1) Required the department of education, beginning with the 2010-2011 school year, to use successful assessment tools and protocols for determining a student’s initial placement and for decision-making about a student’s movement between junior kindergarten, kindergarten, and into grade one; and
- (2) Required the early learning council to develop a plan to ensure the needs of junior kindergarteners are addressed.

In 2010, the legislature passed Act 183, Session Laws of Hawaii 2010, which:

- (1) Amended the public school kindergarten entry age beginning with the 2013-2014 school year, so that children must be at least five years old on the first day of instruction; and
- (2) Required the department of education and early learning council to develop a plan to assess the success of junior kindergarten programs at individual schools that would also address providing educational opportunities for those who would have been eligible to attend kindergarten prior to the age change.

In 2012, the legislature passed Act 178, Session Laws of Hawaii 2012, which:

- (1) Established the executive office on early learning;
- (2) Charged the office with creating a comprehensive early childhood development and learning system for Hawaii's keiki, prenatal to age five;
- (3) Established the early learning advisory board to replace the early learning council as an advisory body to the office;
- (4) Repealed the existing junior kindergarten program for four- and early five-year-olds at the end of the 2013-2014 school year;
- (5) Required that beginning with the 2014-2015 school year, students must be at least five years old on July 31 of that school year to attend kindergarten; and
- (6) Tasked the office with developing a plan to implement an early learning program and report back to the legislature prior to the regular session of 2013.

In 2013, the legislature passed S.B. No. 1084, S.D. 1, H.D. 1, C.D. 1, which proposed an amendment to the Hawaii State Constitution to permit the appropriation of public funds for private early childhood education programs and which passed with more than a two-thirds majority in each house. The purpose of the constitutional amendment was to include private early childhood education providers in a mixed-delivery system of public and private providers to provide access to early childhood education opportunities for more four-year-old children. Ratification of the amendment failed on November 4, 2014.

In 2014, the legislature passed Act 122, Session Laws of Hawaii 2014, which included \$3,000,000 in the state budget for prekindergarten programs in fiscal year 2015. These funds provided for public preschools on department of education elementary school campuses in the 2014-2015 school year through the executive office on early learning prekindergarten program.

The purpose of this Act, therefore, is to continue the legislature's work and fulfill the State's intent to provide a much-needed early childhood education program for Hawaii's children prior to the State's constitutional responsibility for education from kindergarten through grade twelve, by establishing the executive office on early learning public prekindergarten program, which shall be provided through department of education public schools and public charter schools, and shall implement the use of high-quality standards that are strongly linked to children's educational outcomes.

SECTION 2. Chapter 302L, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§302L- Executive office on early learning public prekindergarten program; public preschools.** (a) There is established within the early learning system an early childhood education program to be known as the executive office on

early learning public prekindergarten program and to be administered by the office pursuant to rules adopted by the office. The program shall:

- (1) Be provided through the executive office on early learning, which may partner with the department of education;
- (2) Prepare children for school and active participation in society through the use of either of the State's two official languages; and
- (3) Provide access to high-quality early childhood education that addresses children's physical, cognitive, linguistic, social, and emotional development.

(b) The program shall serve children in the year prior to the year of kindergarten eligibility, with priority extended to underserved or at-risk children, as defined in section 302L-1. The department of education may grant geographic exceptions for children to attend pre-kindergarten outside their assigned service area, as the department of education deems appropriate; provided that the department of education shall grant a request for geographic exception to attend a pre-kindergarten in another service area if the request is based on the employment location of the parent or guardian of the student.

(c) Enrollment in the program shall be voluntary. A child who is enrolled in, or is eligible to attend, a public elementary school, or who is required to attend school pursuant to section 302A-1132, shall not be eligible for enrollment in the program.

(d) The program shall incorporate high-quality standards pursuant to rules adopted by the office. High-quality standards shall be research-based, developmentally-appropriate practices associated with better educational outcomes for children, such as:

- (1) Positive teacher-child interactions;
- (2) Use of individual child assessments that are used for ongoing instructional planning, based upon all areas of childhood development and learning, including cognitive, linguistic, social, and emotional approaches to learning and health and physical development;
- (3) Family engagement; and
- (4) Alignment with the Hawaii early learning and development standards, which align with department of education standards, state content and performance standards, and general learner outcomes for grades kindergarten to twelve, to facilitate a seamless and high-quality educational experience for children.

The office shall monitor implementation of the high-quality educational experience for children.

(e) The office shall provide support to incorporate these high-quality standards, including support related to teacher-child interactions, individual child assessments, and family engagement.

(f) The office shall coordinate with other agencies and programs to facilitate comprehensive services for early childhood education.

- (g) The office shall collect data to:
  - (1) Evaluate the services provided;
  - (2) Inform policy; and
  - (3) Make any improvements to the program.

(h) The department of education and any public charter school existing pursuant to chapter 302D, may use available classrooms for public preschool programs statewide. The office shall give priority to public charter schools that serve high populations of underserved or at-risk children. Preschool classrooms established pursuant to this section shall be in addition to any classrooms used for the pre-plus program established pursuant to section 302L-1.7.

(i) The office shall adopt rules pursuant to chapter 91 necessary to carry out the purposes of this section, including compliance with all applicable state and federal laws.”

SECTION 3. Section 302L-1, Hawaii Revised Statutes, is amended by adding three new definitions to be appropriately inserted and to read as follows:

“Early childhood education” means a developmentally appropriate early childhood development and education program for children from birth until the time they enter kindergarten.

“Family engagement” means practices that engage families in recognition of the need for families to actively support their child’s learning and development, including classrooms that make families feel welcome, communication with families on an ongoing basis, the promotion of responsible parenting, and involvement in decisions that affect families and their children.

“Underserved children” means children who have no access to, or are not qualified to attend, other early childhood education programs and whose family income is no more than two hundred fifty per cent of the federal poverty level.”

SECTION 4. The executive office on early learning shall submit a report to the legislature no later than twenty days prior to the convening of the regular sessions of 2016, 2017, and 2018, on the executive office on early learning public prekindergarten program, including information on the following:

- (1) The number of classrooms established and their locations;
- (2) The number of children enrolled at each school and aggregate data explaining how the program is prioritizing underserved or at-risk children;
- (3) The number of applicants who were placed on a waitlist for the program and at which schools;
- (4) A description of the basic elements of each classroom;
- (5) A description of the high-quality standards incorporated in each classroom;
- (6) The degree to which the program’s standards, as incorporated in each classroom, are meeting the research-based National Institute for Early Education Research Quality Standards Benchmarks;
- (7) The cost of each classroom; and
- (8) Plans and costs for program expansion in fiscal years 2017, 2018, and 2019.

SECTION 5. New statutory material is underscored.<sup>1</sup>

SECTION 6. This Act shall take effect on July 1, 2015.

(Approved June 12, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 110**

H.B. NO. 831

A Bill for an Act Relating to Public Charter Schools.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 302D, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§302D- Financial insolvency.** (a) In the event that any public charter school becomes financially insolvent, the school shall be deemed to have surrendered its charter. For purposes of this section, a school shall be determined to be financially insolvent when it is unable to pay its staff when payroll is due.

(b) In the event that any public charter school becomes financially insolvent, the authorizer shall adopt a closure protocol as described under section 302D-19(a).”

SECTION 2. New statutory material is underscored.<sup>1</sup>

SECTION 3. This Act shall take effect upon its approval.

(Approved June 12, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 111**

H.B. NO. 832

A Bill for an Act Relating to Education.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 302D-34, Hawaii Revised Statutes, is amended to read as follows:

**“§302D-34 Enrollment.** (a) A public charter school shall not discriminate against any student or limit admission based on race, color, ethnicity, national origin, religion, gender, sexual orientation, income level, disability, level of proficiency in the English language, need for special education services, or academic or athletic ability.

(b) A start-up charter school:

- (1) Shall be open to any student residing in the State who is entitled to attend a department school;
- (2) Shall enroll all students who submit an application, unless the number of students who submit an application exceeds the capacity of a program, class, grade level, or building;
- (3) Shall select students through a public lottery if, as described in paragraph (2), capacity is insufficient to enroll all students who have submitted a timely application;
- (4) May give an enrollment preference to students within a given age group or grade level and may be organized around a special emphasis, theme, or concept as stated in the charter school’s application and as approved by the charter school’s authorizer;
- (5) May give an enrollment preference to students enrolled in the charter school during the previous school year and to siblings of students already enrolled at the charter school; and
- (6) May give any other enrollment preference permitted by the charter school’s authorizer, on an individual charter school basis, if consistent with law;

provided that nothing in this subsection shall preclude the formation of a start-up charter school whose mission is focused on serving students with disabilities, who are of the same gender, who pose such severe disciplinary problems

that they warrant a specific educational program, or who are at a risk of academic failure.

(c) A conversion charter school shall:

- (1) Enroll any student who resides within the school's former geographic service area pursuant to section 302A-1143, for the grades that were in place when the department school converted to a charter school; provided that the department may consult with a conversion charter school every three years to determine whether realignment of the charter school's service area is appropriate given population shifts and the department's overall service area reviews;
- (2) Follow the department's procedures regarding enrollment, including but not limited to geographic exceptions and enrollment preferences; and
- (3) Be subject to subsection (b) for grades that were not in place when the school converted to a public charter school.

(d) Any law to the contrary notwithstanding, the university laboratory school may conform its student enrollment profile to the standard prescribed by the University of Hawaii college of education in order to meet the University of Hawaii college of education's research requirements."

SECTION 2. No later than twenty days prior to the convening of the regular sessions of 2016, 2017, 2018, 2019, and 2020, the state public charter school commission shall submit a report to the legislature that contains a review of the university laboratory school's actual admissions data to ensure that the school conforms to its admissions policy. The report shall include but not be limited to:

- (1) An explanation of the admissions policy and practices applied;
- (2) An explanation of the research requirements underlying the admissions policy and practices;
- (3) The goals and targeted enrollment results that the admissions policy and practices are designed to achieve;
- (4) The actual enrollment numbers based on the demographic categories used;
- (5) Any significant variances between actual enrollment numbers versus the goals and targeted enrollment results;
- (6) An evaluation of the reasons behind any such variances; and
- (7) Any actions that the university laboratory school will take to lessen or eliminate any such variances.

SECTION 3. (a) The university laboratory school shall conduct a study regarding whether the school should be a private school instead of a public charter school to determine whether an exemption from chapter 302D, Hawaii Revised Statutes, is necessary.

(b) Based on the study in subsection (a), the university laboratory school shall submit a report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2016.

SECTION 4. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2015; provided that this Act shall be repealed on July 1, 2020.

(Approved June 12, 2015.)

## A Bill for an Act Relating to Teacher Tenure.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the department of education's current probationary period for teachers is a minimum of six semesters.

Current statutory provisions contradict the department's present practice for earning tenure because the statute allows a licensed charter school teacher, who had full-time employment of no less than one full school year at a charter school and who is not yet tenured in the department, to enter into employment in the department and only serve two semesters of probation.

The purpose of this Act is to amend the probationary period that licensed charter school teachers, who are not yet tenured in the department of education, must serve upon entering or returning to the department, thereby aligning the probationary requirements of all department of education teachers, regardless of their teaching experience in a charter school.

SECTION 2. Section 302D-26, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

"(d) The department, in conjunction with authorizers, shall facilitate the movement of instructional personnel between the department and charter schools; provided that:

- (1) Comparable and verifiable professional development and employee evaluation standards and practices, as determined and certified by the authorizers, are in place in charter schools for instructional staff;
- (2) Licensed charter school teachers, as determined by the Hawaii teacher standards board, who are not yet tenured in the department and are entering or returning to the department after ~~[full-time]~~ employment ~~[of no less than one full school year]~~ at a charter school, shall be subject to ~~[no more than one year of probationary status;]~~ a probationary period in the department pursuant to policies and practices as determined by the department, the board, and collective bargaining agreements; and
- (3) Tenured department licensed teachers, as determined by the department, who transfer to charter schools shall ~~[not be required to serve a probationary period.]~~ be subject to the appropriate collective bargaining agreement."

SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2015.

(Approved June 12, 2015.)

## ACT 113

S.B. NO. 374

A Bill for an Act Relating to Dual Credit Programs.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The Georgetown University Center on Education and the Workforce has projected that, by 2020, seventy per cent of jobs in Hawaii will require that employees have some level of postsecondary education. However, according to the United States Census Bureau, currently, just forty-two per cent of Hawaii's adults hold a two- or four-year college degree. Several national and local studies have shown the effectiveness of dual credit programs (programs in which students earn both high school and college credit simultaneously) on students' rates of going to college, staying in college, and graduating from college with a postsecondary degree or certificate.

A study recently conducted by Hawaii P-20 partnerships for education on current dual credit programs, such as running start, show similar gains for students taking college-level courses while still in high school despite the high financial cost to students and their families. Nationally, of the forty-seven states, and the District of Columbia, that have statewide policies governing at least one dual credit program, Hawaii is one of only nine states that requires the student and the student's parent or guardian to pay for participation in a dual credit program.

Increasing numbers of students in Hawaii are taking dual credit courses through programs that include, but are not limited to, the running start, jump start, or early college high school programs. However, for more students to gain more credits and the opportunity to earn both a college associate's degree and a high school diploma, they need to be able to start in ninth grade, if they are academically prepared. In more than twenty-eight other states, college-ready high school students can begin taking dual credit courses in the ninth grade.

Finally, there is a growing trend for assessing students' ability for college-readiness, not by a single standardized test, but by multiple measurements, such as grades, overall grade point average, teacher recommendations, and various assessments and tests.

The purposes of this Act are to: broaden current law to include all dual credit programs, broaden eligibility to participate in the program, and allow for multiple measures of assessment to determine eligibility.

SECTION 2. Section 302A-401, Hawaii Revised Statutes, is amended to read as follows:

**"§302A-401 ~~[Running start]~~ Dual credit program.** (a) There is created in the department the ~~[running start]~~ dual credit program to permit eligible students to enroll in any qualified course offered by the University of Hawaii system.

(b) For the purposes of this section:

"Eligible student" means a public high school student in the ninth, tenth, eleventh, or twelfth grade who:

- (1) Has passed ~~[a standardized test administered]~~ an assessment approved by the college that demonstrates the student's ability to succeed at the college level;
- (2) Is under the age of twenty-one as of September 1 of the school year in which the college course is taken; and
- (3) Has other qualifications deemed appropriate by the department of education or the University of Hawaii; provided that subsequent



qualifications do not restrict any student from taking the ~~[standardized test.]~~ assessment.

“Qualified course” means any vocational or academic course offered by the University of Hawaii system that also applies to the department’s graduation requirements or is otherwise permitted by department rule or policy.

(c) All course credits successfully completed pursuant to this section that would otherwise be transferable but for a student’s grade level, shall be transferable to any University of Hawaii system degree granting institution; provided that the student is admitted to the campus where the credit is transferred.

(d) ~~[College courses]~~ One hundred level or above University of Hawaii courses that fulfill an undergraduate or graduate degree course requirement and that are successfully completed under this section shall also satisfy the department’s graduation requirements as determined by the department pursuant to rule.

(e) This section shall not preclude the department and the University of Hawaii from establishing programs by mutual agreement that permit high school students to enroll in college courses.

~~[(f) Every student enrolled in a college course pursuant to this section shall remit appropriate tuition and fees to the college for every college course.~~

~~(g) The department shall provide students who participate in the running start program with guidance in earning credit toward high school graduation upon the satisfactory completion of University of Hawaii courses at the one hundred level and above [pursuant to this section].”~~

SECTION 3. Section 304A-803, Hawaii Revised Statutes, is amended to read as follows:

~~“[§304A-803] Running start~~ **Dual credit program.** (a) There is established within the department of education the ~~[running start]~~ dual credit program, to allow eligible students to enroll in any qualified course offered by the University of Hawaii system.

(b) For the purposes of this section:

“Eligible student” means a public or home-schooled high school student in the ninth, tenth, eleventh, or twelfth grade who:

- (1) Has passed ~~[a standardized test administered]~~ an assessment approved by the college that demonstrates the student’s ability to succeed at the college level;
- (2) Is under the age of twenty-one as of September 1 of the school year in which the college course is taken; and
- (3) Has other qualifications deemed appropriate by the department of education or the university; provided that subsequent qualifications do not restrict any student from taking the ~~[standardized test.]~~ assessment.

“Qualified course” means any career and technical education or academic course offered by the University of Hawaii system that also applies to the department of education’s graduation requirements or is otherwise permitted by department of education rule or policy.

(c) All course credits successfully completed pursuant to this section that would otherwise be transferable but for a student’s grade level, shall be transferable to any University of Hawaii system degree granting institution; provided that the student is admitted to the campus where the credit is transferred.

(d) ~~[College courses]~~ One hundred level or above University of Hawaii courses that fulfill an undergraduate or graduate degree course requirement and that are successfully completed under this section shall also satisfy the depart-

ment of education's graduation requirements as determined by the department of education pursuant to rule.

(e) This section shall not preclude the department of education and the university from establishing programs by mutual agreement that permit high school students to enroll in college courses.

~~[(f) Every student enrolled in a college course pursuant to this section shall remit appropriate tuition and fees to the university.]~~

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.

(Approved June 12, 2015.)

## ACT 114

S.B. NO. 831

A Bill for an Act Relating to Education.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 302D-1, Hawaii Revised Statutes, is amended as follows:

1. By adding a new definition to be appropriately inserted and to read:

““Applicant governing board” means the initial governing board that is:

- (1) Established by an eligible group or entity to submit a charter application pursuant to section 302D-13; and
- (2) Not subject to section 302D-12.”

2. By amending the definition of “conversion charter school” to read:

““Conversion charter school” means:

- (1) Any existing department school that converts to a charter school and is managed and operated in accordance with section ~~[302D-14;]~~ 302D-13; or
- (2) Any existing department school that converts to a charter school and is managed and operated by a nonprofit organization in accordance with section ~~[302D-14;]~~ 302D-13.”

3. By amending the definition of “start-up charter school” to read:

““Start-up charter school” means a new charter school established under section 302D-13[-] that is not a conversion charter school.”

SECTION 2. Section 302D-3, Hawaii Revised Statutes, is amended by amending subsection (f) to read as follows:

“(f) Five members of the commission shall constitute a quorum to conduct business ~~[and].~~ Any action taken by the commission shall be by a simple majority of the members of the commission who are present; provided that any action of the commission that may be appealed pursuant to section 302D-15 shall require a concurrence of at least five members [shall be necessary to make any action of the commission] to be valid.”

SECTION 3. Section 302D-5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) An authorizer shall:

- (1) Act as ~~[the]~~ a point of contact between the department and a public charter school it authorizes;

- (2) Be responsible for and ensure the compliance of a public charter school it authorizes with all applicable state and federal laws, including reporting requirements;
- (3) Be responsible for the receipt of applicable federal funds from the department and the distribution of funds to the public charter school it authorizes; and
- (4) Be responsible for the receipt of per-pupil funding from the department of budget and finance and distribution of the funding to the public charter school it authorizes.”

SECTION 4. Section 302D-12, Hawaii Revised Statutes, is amended to read as follows:

“§302D-12 **Charter school governing boards; powers and duties.** (a) No person may serve on the governing board of a charter school if the person is an employee or former employee of any charter school under the jurisdiction of that governing board, a relative of an employee or former employee of any charter school under the jurisdiction of that governing board, or any vendor or contractor providing goods or services to any charter school under the jurisdiction of that governing board, unless:

- (1) The person is a former employee of a charter school under the jurisdiction of that governing board and at least one year has passed since the conclusion of the former employee’s employment with that charter school;
  - (2) The person is a relative of a former employee of a charter school under the jurisdiction of that governing board and at least one year has passed since the conclusion of the former employee’s employment with that charter school;
  - (3) The person is a vendor or contractor and at least one year has passed since the conclusion of the vendor or contractor’s service to a charter school under the jurisdiction of that governing board; or
  - (4) The ~~person’s~~ person serving on the governing board shall not cause more than one-third of the voting members of the governing board to be made up of:
    - (A) Employees or former employees of any charter school that is under the jurisdiction of that governing board; provided that this subparagraph shall not include persons who are covered under paragraph (1);
    - (B) Relatives of employees or of former employees of any charter school that is under the jurisdiction of that governing board; provided that this subparagraph shall not include persons who are covered under paragraph (2); and
    - (C) Vendors or contractors who are providing goods or services to any charter school that is under the jurisdiction of that governing board; provided that this subparagraph shall not include persons who are covered under paragraph (3).
- (b) In selecting governing board members, consideration shall be given to persons who:
- (1) Provide the governing board with a diversity of perspective and a level of objectivity that accurately represent the interests of the charter school students and the surrounding community;
  - (2) Demonstrate an understanding of best practices of nonprofit governance; and

(3) Possess strong financial and academic management and oversight abilities, as well as human resource and fundraising experience.

(c) No employee or former employee of a charter school, relative of an employee or former employee of a charter school, or any vendor or contractor providing goods or services to a charter school may serve as the chair of the governing board of that charter school unless at least one year has elapsed since the conclusion of the employee's employment with the school or the conclusion of a vendor's or contractor's service to the school; provided that an authorizer may grant an exemption from the provisions of this subsection based upon a determination by the authorizer that an exemption is in the best interest of the charter school.

(d) A nonprofit organization that has been approved by an authorizer to operate and manage a conversion charter school and serve as the conversion charter school's governing board shall establish the nonprofit organization's board of directors as the governing board and shall not be selected pursuant to subsections (a), (b), and (c); provided that:

(1) The nonprofit organization may also appoint advisory groups of community representatives for each conversion charter school managed by the nonprofit organization; provided that these groups shall not have governing authority over the conversion charter school and shall serve only in an advisory capacity to the nonprofit organization;

(2) The board of directors of the nonprofit organization, as the governing board of the conversion charter school that it operates and manages, shall have the same protections that are afforded to all other governing boards in its role as the conversion charter school governing body;

(3) Any conversion charter school that is managed and operated by a nonprofit organization shall be eligible for the same federal and state funding as other public schools; provided that nothing in this section shall prohibit a nonprofit organization from making a contribution toward the operation of a conversion charter school; and

(4) If, at any time, the board of directors of the nonprofit organization governing the conversion charter school votes to discontinue its relationship with the charter school as the charter contract holder, the conversion charter school's administrators, teachers, or community may submit a charter application to the authorizer, in accordance with section 302D-13 to continue as a conversion charter school without the participation of the nonprofit organization.

~~(d)~~ (e) Section 78-4 shall not apply to members of governing boards; provided that no governing board member shall be allowed to serve on more than two governing boards simultaneously. For purposes of this subsection, a governing board that governs more than one charter school shall be considered one board.

~~(e)~~ (f) The governing board shall be the independent governing body of its charter school and shall have oversight over and be responsible for the financial, organizational, and academic viability of the charter school, implementation of the charter, and the independent authority to determine the organization and management of the school, the curriculum, virtual education, and compliance with applicable federal and state laws. The governing board shall ensure its school complies with the terms of the charter contract between the authorizer and the school. The governing board shall have the power to negotiate supplemental collective bargaining agreements with the exclusive representatives of their employees.

~~[(f)]~~ (g) Governing boards and charter schools shall be exempt from chapter 103D, but shall develop internal policies and procedures for the procurement of goods, services, and construction, consistent with the goals of public accountability and public procurement practices. Governing boards and charter schools are encouraged to use the provisions of chapter 103D wherever possible; provided that the use of one or more provisions of chapter 103D shall not constitute a waiver of the exemption from chapter 103D and shall not subject the charter school to any other provision of chapter 103D.

~~[(g)]~~ (h) Charter schools and their governing boards shall be exempt from the requirements of chapters 91 and 92. The governing boards shall:

- (1) Hold meetings open to the public;
- (2) Make available the notices and agendas of public meetings:
  - (A) At a publicly accessible area in the charter school's office so as to be available for review during regular business hours; and
  - (B) On the charter school's internet website not less than six calendar days prior to the public meeting, unless a waiver is granted by the authorizer or authorizer's designee in the case of an emergency; and
- (3) Make available the minutes from public meetings within thirty days and maintain a list of the current names and contact information of the governing board's members and officers:
  - (A) In the charter school's office so as to be available for review during regular business hours; and
  - (B) On the charter school's internet website.

~~[(h)]~~ (i) All charter school employees and members of governing boards shall be subject to chapter 84.

~~[(i)]~~ (j) Governing boards shall be exempt from sections 26-34 and 26-36. The State shall afford the governing board of any charter school the same protections as the State affords the board in accordance with section 26-35.5.

~~[(j)]~~ (k) For purposes of this section:

"Employees" shall include but not be limited to:

- (1) The chief executive officer, chief administrative officer, executive director, or otherwise designated head of a charter school; and
- (2) Any person under an employment contract to serve as the chief executive officer, chief administrative officer, executive director, or designated head of a charter school.

"Relative" means a spouse, fiance, or fiancée of the employee; any person who is related to the employee within four degrees of consanguinity; or the spouse, fiance, or fiancée of such person.

~~[(k)]~~ (l) Governing boards shall have the power to make and execute contracts and all other instruments necessary or convenient for the exercise of their duties and functions under this chapter. ~~[Whenever a charter school or governing board seeks to enter into a contract with a private organization, whether for profit or nonprofit, to manage or operate the charter school, which contract requires the private organization to employ or otherwise provide the charter school with an individual to serve in the capacity of the chief executive officer, chief administrative officer, executive director, or designated head of the charter school, the charter school's governing board, in consultation with the state ethics commission, shall adopt standards of conduct that shall apply to the chief executive officer, chief administrative officer, executive director, or designated head of the charter school. The standards of conduct shall include provisions relating to gifts, fair treatment or misuse of position, and conflicts of interest, and shall be incorporated into and made part of any contract or arrangement~~

~~between the charter school or governing board and the private organization for those services.]”~~

SECTION 5. Section 302D-13, Hawaii Revised Statutes, is amended to read as follows:

**“§302D-13 Start-up and conversion charter schools; establishment.** (a) New start-up and conversion charter schools may be established pursuant to this section.

(b) Any community, department school, school community council, group of teachers, group of teachers and administrators, or nonprofit organization may submit a letter of intent to an authorizer to form a charter school[;] and establish [a] an applicant governing board [as its governing body, and]. An applicant governing board may develop a charter application pursuant to [sub-section (d)-] this section; provided that:

- (1) An applicant governing board established by a community may develop a charter application for a start-up charter school;
- (2) An applicant governing board established by a department school or a school community council may develop a charter application for a conversion charter school;
- (3) An applicant governing board established by a group of teachers or a group of administrators may develop a charter application for a start-up or conversion charter school; and
- (4) A nonprofit organization may:
  - (A) Establish an applicant governing board that is separate from the nonprofit organization and develop a charter application for a start-up or conversion charter school; or
  - (B) Establish an applicant governing board that shall be the board of directors of the nonprofit organization and may develop a charter application for a conversion charter school; provided that any nonprofit organization that seeks to manage and operate a conversion charter school shall:
    - (i) Submit to the authorizer at the time of the charter application bylaws or policies that describe the manner in which business is conducted and policies that relate to the management of potential conflict of interest situations;
    - (ii) Have experience in the management and operation of public or private schools or, to the extent necessary, agree to obtain appropriate services from another entity or entities possessing such experience; and
    - (iii) Not interfere in the operations of the department school to be converted until otherwise authorized by the authorizer in consultation with the department.

(c) The [start-up] charter school [charter] application process and schedule shall be determined by the authorizer, and shall provide for and include, at a minimum, the following elements:

- (1) The issuance and publication of a request for proposals by the authorizer on the authorizer’s internet website that, at a minimum:
  - (A) Solicits charter applications and presents the authorizer’s strategic vision for chartering;
  - (B) Includes or directs applicant governing boards to the performance framework developed by the authorizer in accordance with section 302D-16;

- (C) Includes criteria that will guide the authorizer's decision to approve or deny a charter application;
  - (D) States clear, appropriately detailed questions and provides guidelines concerning the format and content essential for applicant governing boards to demonstrate the capacities necessary to establish and operate a successful charter school; and
  - (E) Requires charter applications to provide or describe all essential elements, as determined by the authorizer, of proposed school plans;
- [(4)] (2) The submission of a letter of intent to open and operate a start-up charter school[;] or to convert a department school to a conversion charter school;
- [(2) ~~The availability of the charter application form and completion guidelines on the authorizer's website;~~]
- (3) The timely submission of a completed charter application to the authorizer; provided that a charter application for a conversion charter school shall include certification and documentation that the charter application was approved by a majority of the votes cast by existing administrative, support, and teacher personnel, and parents of students at the existing department school; provided that:
- (A) This vote shall be considered by the authorizer to be the primary indication of the existing administrative, support, and teaching personnel, and parents' approval to convert to a charter school;
  - (B) The balance of stakeholders represented in the vote and the extent of support received in support of the conversion shall be key factors, along with the applicant's proposed plans, to be considered by the authorizer when deciding whether to award a charter; and
  - (C) A breakdown of the number of administrative, support, and teaching personnel, and parents of students who constitute the existing department school and the number who actually participated in the vote shall be provided to the authorizer;
- (4) The timely review of the charter application by the authorizer for completeness, and notification by the authorizer to the applicant governing board that the charter application is complete;
- (5) Upon receipt of a completed charter application, the review and evaluation of the charter application by qualified persons[;] including but not limited to:
- (A) An in-person interview with representatives from the applicant governing board; and
  - (B) An opportunity in a public forum for the public to provide input on each charter application;
- (6) Following the review and evaluation of a charter application, approval or denial of the charter application by the authorizer[;] in a meeting open to the public;
- (7) A provision for a final date by which a decision to approve or deny a charter application must be made by the authorizer, upon receipt of a complete charter application; and
- (8) A provision that no [start-up] charter school may begin operation before obtaining authorizer approval of its charter application and charter contract and fulfilling pre-opening requirements that may be imposed by the authorizer[-], pursuant to section 302D-14.5.

(d) A charter application to become a start-up or conversion charter school shall meet the requirements of this subsection ~~[and], section 302D-25[-], and any other requirements set by the authorizer.~~ The charter application shall, at a minimum~~[-], include the following[-]:~~

- (1) ~~[A description of employee rights and management issues and a framework for addressing those issues that protects the rights of employees;]~~ Include plans for a charter school that are likely to satisfactorily meet the academic, financial, organizational, and operational performance indicators, measures, and metrics set forth in the authorizer's performance framework, pursuant to section 302D-16;
- (2) ~~[A plan for identifying, recruiting, and retaining highly qualified instructional faculty as defined by the department;]~~ Include plans for a charter school that is in compliance with applicable laws; and
- (3) ~~[A plan for identifying, recruiting, and selecting students that is not exclusive, elitist, or segregationist, and complies with this chapter;~~
- (4) The curriculum and instructional framework to be used to achieve student outcomes, including an assessment plan;
- (5) A plan for the assessment of student, administrative support, and teaching personnel performance that:
  - (A) Recognizes the interests of the general public[;].
  - (B) Incorporates or exceeds the educational content and performance standards developed by the department for the public school system;
  - (C) Includes a system of faculty and staff accountability that holds faculty and staff individually and collectively accountable for their performance, and that is at least equivalent to the average system of accountability in public schools throughout the State; and
  - (D) Provides for program audits and annual financial audits;
- (6) ~~A governance structure for the charter school that incorporates a conflict of interest policy and a plan for periodic training to carry out the duties of governing board members;~~
- (7) ~~A description of the constitution of the governing board, terms of governing board members, and the process by which governing board members were selected;~~
- (8) ~~A financial plan based on the most recent fiscal year's per pupil charter school allocation that demonstrates the ability to meet the financial obligations of one-time, start-up costs and ongoing costs such as monthly payrolls, faculty recruitment, professional development, and facilities costs; and~~
- (9) ~~A facilities plan.]~~

(e) In reviewing a charter application under this section, an authorizer shall take into consideration the constitution of the ~~[applicant's]~~ applicant governing board, terms of applicant governing board members, and the process by which applicant governing board members were selected.

(f) In reviewing charter applications under this section, an authorizer shall develop a schedule to approve or deny a charter application by the end of the calendar year prior to the opening year of the proposed charter school for purposes of meeting any deadlines to request funding from the legislature~~[-]~~; provided that nothing in this section shall be construed as requiring an authorizer to accept and review charter applications annually.

(g) If a conflict between the provisions in this section and other provisions in this chapter occurs, this section shall control."



SECTION 6. Section 302D-14.5, Hawaii Revised Statutes, is amended as follows:

1. By amending subsections (a) through (c) to read:

“(a) The authorizer may require ~~[a charter]~~ an applicant governing board whose charter application is approved by the authorizer pursuant to section 302D-13 ~~[or 302D-14]~~ to satisfactorily meet pre-contracting criteria set by the authorizer before being allowed to enter into a charter contract.

(b) An approved ~~[charter]~~ applicant governing board that fails to satisfactorily meet the pre-contracting criteria and enter into a charter contract with its authorizer within the period initially established or subsequently extended by the authorizer shall be considered to have withdrawn its application.

(c) ~~[A charter]~~ An applicant governing board shall not be considered an entity of the State ~~[until the]~~, but shall have the authority to execute the initial charter contract; provided that the term of duration of the initial charter contract shall not exceed five years, not including the pre-opening period. Upon the execution of the initial charter contract, the applicant governing board shall become the governing board of the newly established pre-opening charter school [is established by execution of the charter contract]. A pre-opening charter school that is a conversion charter school shall be a separate entity of the State from the department school from which it is converting during the start-up period.”

2. By amending subsection (f) to read:

“(f) An approved ~~[charter]~~ applicant governing board that withdraws its application shall not be allowed to execute a charter contract unless it reapplies and has its charter application approved by an authorizer in accordance with this chapter.”

SECTION 7. Section 302D-17, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Each authorizer shall annually publish and provide, as part of its annual report to the board and the legislature, a performance report for each public charter school it oversees, in accordance with the performance framework set forth in the charter contract and section 302D-16. The authorizer ~~[shall]~~ may require each public charter school it oversees to submit an annual report to assist the authorizer in gathering complete information about each school. The annual report ~~[shall]~~ may include the status of the charter school’s compliance with annual performance targets, as determined by the charter contract.”

SECTION 8. Section 302D-21, Hawaii Revised Statutes, is amended to read as follows:

“**§302D-21 Annual board report.** No later than ~~[twenty days prior to the convening]~~ the opening day of each regular session of the legislature, the board shall issue to the governor, the legislature, and the public, an annual report on the State’s public charter schools, drawing from the annual reports submitted by every authorizer, as well as any additional relevant data compiled by the board, for the school year ending in the preceding calendar year. The annual report shall include:

- (1) The board’s assessment of the successes, challenges, and areas for improvement in meeting the purposes of this chapter, including the board’s assessment of the sufficiency of funding for public charter schools, and any suggested changes in state law or policy necessary to strengthen the State’s public charter schools;
- (2) A line-item breakdown of all federal funds received by the department and distributed to authorizers;

- (3) Any concerns regarding equity and recommendations to improve access to and distribution of federal funds to public charter schools; and
- (4) A discussion of all board policies adopted in the previous year, including a detailed explanation as to whether each policy is or is not applicable to charter schools.”

SECTION 9. Section 302D-26, Hawaii Revised Statutes, is amended by amending subsection (e) to read as follows:

“(e) The department shall establish a process that permits employees of department public schools that become conversion charter schools pursuant to section ~~[302D-14]~~ 302D-13 to transfer to a department public school governed by chapter 302A.”

SECTION 10. Section 302D-33, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The ~~[commission]~~ authorizer shall ~~[develop procedures for obtaining]~~ require charter schools to obtain verifiable information regarding the criminal history of persons who are employed or seeking employment in any position, including teacher trainees, that places them in close proximity to children~~[-These procedures shall include]~~, including criminal history record checks in accordance with section 846-2.7. Information obtained pursuant to this subsection shall be used exclusively by the ~~[employer or prospective employer]~~ charter school for the purpose of determining whether a person is suitable for working in close proximity to children. All such decisions shall be subject to applicable federal laws and regulations.”

SECTION 11. Section 302D-34, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

- “(b) A start-up charter school:
- (1) Shall be open to any student residing in the State who is entitled to attend a department school;
  - (2) Shall enroll all students who submit an application, unless the number of students who submit an application exceeds the capacity of a program, class, grade level, or building; provided that a student who is currently enrolled in a charter school that has been notified of the prospect of revocation in accordance with section 302D-18, or is closing in accordance with section 302D-19, whichever occurs first, may be given first priority to enroll at another charter school to which the student applies, or placed at the top of the waitlist for enrollment;
  - (3) Shall select students through a public lottery if, as described in paragraph (2), capacity is insufficient to enroll all students who have submitted a timely application;
  - (4) May give an enrollment preference to students within a given age group or grade level and may be organized around a special emphasis, theme, or concept as stated in the charter school’s application and as approved by the charter school’s authorizer;
  - (5) May give an enrollment preference to students enrolled in the charter school during the previous school year and to siblings of students already enrolled at the charter school; ~~[and]~~
  - (6) May give an enrollment preference through a weighted lottery to educationally disadvantaged students. For the purposes of this paragraph;

“Educationally disadvantaged students” means students who are economically disadvantaged, students with disabilities, migrant students, limited English proficient students, neglected or delinquent students, and homeless students.

“Weighted lottery” means any lottery that gives additional weight to individual students who are identified as part of a specified set of students but does not reserve or set aside seats for individual students or sets of students; and

~~(6)~~ (7) May give any other enrollment preference permitted by the charter school’s authorizer, on an individual charter school basis, if consistent with law;

provided that nothing in this subsection shall preclude the formation of a start-up charter school whose mission is focused on serving students with disabilities, who are of the same gender, who pose such severe disciplinary problems that they warrant a specific educational program, or who are at a risk of academic failure.”

SECTION 12. Section 302D-14, Hawaii Revised Statutes, is repealed.

SECTION 13. Statutory material to be repealed is bracketed and stricken.<sup>1</sup> New statutory material is underscored.

SECTION 14. This Act shall take effect upon its approval.

(Approved June 12, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 115**

S.B. NO. 854

A Bill for an Act Relating to Public School Lands.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 302A-1151.1, Hawaii Revised Statutes, is amended to read as follows:

~~“[§302A-1151.1]”~~ **Pilot program for lease of public school land.** (a) There shall be established within the department a pilot program for the lease of public school land, including facilities. The department, in consultation with the board of education and any other appropriate agency, shall serve as the facilitator of the pilot program.

(b) Notwithstanding sections 171-13 and 302A-1151, or any other law to the contrary, the department may lease public school land on terms it deems appropriate[;], including a leaseback of all or a portion of the improvements constructed; provided that:

- (1) The board may identify and select up to five public school land sites as candidates for participation in the pilot program; provided that:
  - (A) During the identification and selection process, the board shall be subject to chapter 92, shall hold at least one public meeting in each affected community, and shall foster school and community participation; and

- (B) If the site is on land owned by the county, the department shall consult with the county;
- (2) The department may lease public school land for no more than three public school land sites identified and selected by the board pursuant to paragraph (1) under leases for a term of not more than fifty-five years per lease, unless extended pursuant to section 171-36, to lessees who shall be required to modify, construct, or utilize facilities to ~~meet public~~ benefit public educational purposes, ~~including workforce rental housing units,~~ in accordance with specific request for proposal or request for information guidelines; ~~and~~
- (3) Each lease shall stipulate that the lessee may retain any revenue generated from the facilities; provided that:
- (A) The lessee shall be obligated to maintain and operate the facilities ~~for a public purpose~~ to benefit public educational purposes for the length of the lease;
- (B) The lessee shall be obligated to pay to the county all applicable property tax on the value of any improvements;
- (C) A leasehold premium may be charged to the lessee for the right to use the public school land based on a competitive ~~bid~~ process~~;~~ that complies with applicable sections of chapter 103D;
- (D) Upon the expiration of the lease, the facilities shall revert to the department; and
- (E) All revenues and proceeds derived by the State under this section shall be deposited in the school facilities subaccount pursuant to section 302A-1151.2~~[-];~~ and
- (4) Notwithstanding any law to the contrary, the department may enter into leaseback agreements that allow the department to lease or sublease the property to a third party. The department may lease back the property from the third-party lessee or sublessee for a contractual period of time, after which the department shall own any improvements.
- (c) Any redevelopment involving nonschool purposes shall:
- (1) Comply with county plans, ordinances, and zoning and development codes; and
- (2) Acquire all required government approvals and permits.
- (d) Nothing in this section shall preclude the department from working with and receiving assistance from any other department or agency in carrying out the purposes of this section.
- (e) Any lease entered into by the department pursuant to subsection (b) shall be fully executed no later than five years from July 1, 2013.
- (f) For purposes of this section, public educational purposes shall include but are not limited to:
- (1) A new revenue source from the redevelopment of one or more underutilized department facilities;
- (2) New construction of department facilities or renovation of existing, underutilized department facilities into a twenty-first century school; or
- (3) A combination of paragraphs (1) and (2)."

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 12, 2015.)

A Bill for an Act Relating to Public Schools.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the use of multi-track scheduling in the public schools is not in the best interest of public school students. The multi-track schedule results in fewer instructional days for students. In an attempt to compensate for fewer days, the students and staff are subject to longer hours. Families are also disrupted by the schedule as the traditional summer break does not always fall in the summer months, and it is very possible that children in the same family who attend different schools would have traditional school breaks at different times. Moreover, the multi-track schedule is in place for the purpose of managing the resources available to overpopulated schools, not for any educational benefit.

The purpose of this Act is to transition public schools away from the multi-track schedule and develop facilities to accommodate the student population.

SECTION 2. The department of education shall develop a transition plan to end the use of multi-track schedules in public schools. The plan shall:

- (1) Detail the needs of each school currently on a multi-track schedule in order to transition to a traditional schedule;
- (2) Include a timeline for each school's transition to a traditional schedule; and
- (3) List any funding necessary to implement each school's transition to a traditional schedule.

The department of education shall report to the legislature with the transition plan and any proposed legislation, including any funding needs, no later than twenty days prior to the convening of the regular session of 2016.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$200,000 or so much thereof as may be necessary for fiscal year 2015-2016 for the department of education to develop a transition plan to end the use of multi-track schedules in public schools.

The sum appropriated shall be expended by the department of education for the purposes of this Act.

SECTION 4. This Act shall take effect on July 1, 2015.

(Approved June 12, 2015.)

A Bill for an Act Relating to Beach Protection.

*Be It Enacted by the Legislature of the State of Hawaii:*

### PART I

SECTION 1. The legislature finds that Hawaii's beaches are important and unique components of the array of natural resources that make our islands a special place for our residents and an attractive destination for visitors. Recent studies by researchers at the University of Hawaii indicate that our beaches are

disappearing at an alarming rate, with seventy per cent of beaches undergoing chronic erosion, over thirteen miles of beach completely lost to erosion, and inappropriate shoreline development over the past century. Because of the growing demand for the use of beaches, the State needs to reinvest in its beaches, as one of its important and valuable natural resources, to conserve and restore these important assets by more efficiently distributing limited financial resources.

The purpose of this part is to allocate transient accommodations tax revenues to the special land and development fund to finance beach restoration and conservation and other activities authorized under section 237D-6.5(b)(5), Hawaii Revised Statutes. This part takes effect on July 1, 2016.

SECTION 2. Section 171-19, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) There is created in the department a special fund to be designated as the “special land and development fund”. Subject to the Hawaiian Homes Commission Act of 1920, as amended, and section 5(f) of the Admission Act of 1959, all proceeds of sale of public lands, including interest on deferred payments; all moneys collected under section 171-58 for mineral and water rights; all rents from leases, licenses, and permits derived from public lands; all moneys collected from lessees of public lands within industrial parks; all fees, fines, and other administrative charges collected under this chapter and chapter 183C; a portion of the highway fuel tax collected under chapter 243; all moneys collected by the department for the commercial use of public trails and trail accesses under the jurisdiction of the department; transient accommodations tax revenues collected pursuant to section [~~237D-6.5(b)(2);~~] 237D-6.5(b)(5); and private contributions for the management, maintenance, and development of trails and accesses shall be set apart in the fund and shall be used only as authorized by the legislature for the following purposes:

- (1) To reimburse the general fund of the State for advances made that are required to be reimbursed from the proceeds derived from sales, leases, licenses, or permits of public lands;
- (2) For the planning, development, management, operations, or maintenance of all lands and improvements under the control and management of the board, including but not limited to permanent or temporary staff positions who may be appointed without regard to chapter 76;
- (3) To repurchase any land, including improvements, in the exercise by the board of any right of repurchase specifically reserved in any patent, deed, lease, or other documents or as provided by law;
- (4) For the payment of all appraisal fees; provided that all fees reimbursed to the board shall be deposited in the fund;
- (5) For the payment of publication notices as required under this chapter; provided that all or a portion of the expenditures may be charged to the purchaser or lessee of public lands or any interest therein under rules adopted by the board;
- (6) For the management, maintenance, and development of trails and trail accesses under the jurisdiction of the department;
- (7) For the payment to private land developers who have contracted with the board for development of public lands under section 171-60;
- (8) For the payment of debt service on revenue bonds issued by the department, and the establishment of debt service and other reserves deemed necessary by the board;

- (9) To reimburse the general fund for debt service on general obligation bonds issued to finance departmental projects, where the bonds are designated to be reimbursed from the special land and development fund;
- (10) For the protection, planning, management, and regulation of water resources under chapter 174C; and
- (11) For other purposes of this chapter.”

SECTION 3. Section 237D-6.5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Revenues collected under this chapter shall be distributed as follows, with the excess revenues to be deposited into the general fund:

- (1) \$26,500,000 shall be allocated to the convention center enterprise special fund established under section 201B-8;
- (2) \$82,000,000 shall be allocated to the tourism special fund established under section 201B-11; provided that:
  - (A) Beginning on July 1, 2012, and ending on June 30, 2015, \$2,000,000 shall be expended from the tourism special fund for development and implementation of initiatives to take advantage of expanded visa programs and increased travel opportunities for international visitors to Hawaii;
  - (B) Of the \$82,000,000 allocated:
    - (i) \$1,000,000 shall be allocated for the operation of a Hawaiian center and the museum of Hawaiian music and dance at the Hawaii convention center; and
    - (ii) 0.5 per cent of the \$82,000,000 shall be transferred to a sub-account in the tourism special fund to provide funding for a safety and security budget, in accordance with the Hawaii tourism strategic plan 2005-2015; and
  - (C) Of the revenues remaining in the tourism special fund after revenues have been deposited as provided in this paragraph and except for any sum authorized by the legislature for expenditure from revenues subject to this paragraph, beginning July 1, 2007, funds shall be deposited into the tourism emergency trust fund, established in section 201B-10, in a manner sufficient to maintain a fund balance of \$5,000,000 in the tourism emergency trust fund;
- (3) \$103,000,000 for fiscal year 2014-2015, \$103,000,000 for fiscal year 2015-2016, and \$93,000,000 for each fiscal year thereafter shall be allocated as follows: Kauai county shall receive 14.5 per cent, Hawaii county shall receive 18.6 per cent, city and county of Honolulu shall receive 44.1 per cent, and Maui county shall receive 22.8 per cent; provided that commencing with fiscal year 2018-2019, a sum that represents the difference between a county public employer’s annual required contribution for the separate trust fund established under section 87A-42 and the amount of the county public employer’s contributions into that trust fund shall be retained by the state director of finance and deposited to the credit of the county public employer’s annual required contribution into that trust fund in each fiscal year, as provided in section 87A-42, if the respective county fails to remit the total amount of the county’s required annual contributions, as required under section 87A-43;
- (4) \$3,000,000 shall be allocated to the Turtle Bay conservation easement special fund established under section 201B-8.6 for the pay-

ment of debt service on revenue bonds, the proceeds of which were used to acquire the conservation easement in Turtle Bay, Oahu, until the bonds are fully amortized; and

- (5) ~~[Of the excess revenues deposited into the general fund pursuant to this subsection,]~~ \$3,000,000 shall be allocated ~~[subject to the mutual agreement of the board of land and natural resources and the board of directors of the Hawaii tourism authority]~~ to the special land and development fund established under section 171-19; provided that the allocation shall be expended in accordance with the Hawaii tourism authority strategic plan for:
- (A) The protection, preservation, maintenance, and enhancement of natural resources, including beaches, important to the visitor industry;
  - (B) Planning, construction, and repair of facilities; and
  - (C) Operation and maintenance costs of public lands, including beaches, connected with enhancing the visitor experience.

All transient accommodations taxes shall be paid into the state treasury each month within ten days after collection and shall be kept by the state director of finance in special accounts for distribution as provided in this subsection.

As used in this subsection, "fiscal year" means the twelve-month period beginning on July 1 of a calendar year and ending on June 30 of the following calendar year."

## PART II

SECTION 4. The purpose of this part is to appropriate general funds to be expended in fiscal year 2014-2015 in accordance with section 237D-6.5(b)(5), Hawaii Revised Statutes, for visitor industry-related programs and projects.

The legislature finds that, for technical reasons, the \$3,000,000 in general funds set aside from the transient accommodations tax revenues under section 237D-6.5(b)(5), Hawaii Revised Statutes, for fiscal year 2014-2015 for visitor industry-related programs and projects cannot be expended. The legislature further finds that the moneys set aside for fiscal year 2014-2015 should be expended to implement the legislature's policy decision to commence the set aside.

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$3,000,000 or so much thereof as may be necessary for fiscal year 2014-2015 for the following:

- (1) The protection, preservation, maintenance, and enhancement of natural resources, including beaches, important to the visitor industry;
- (2) Planning, construction, and repair of facilities; and
- (3) Operation and maintenance costs of public lands, including beaches, connected with enhancing the visitor experience.

The sum appropriated shall be expended by the board of land and natural resources, subject to mutual agreement with the board of directors of the Hawaii tourism authority, in accordance with the Hawaii tourism authority strategic plan.

SECTION 6. The appropriation in section 5 shall be deemed an appropriation of the \$3,000,000 in general funds set aside under section 237D-6.5(b)(5), Hawaii Revised Statutes, for fiscal year 2014-2015.



**PART III**

SECTION 7. The purpose of this part is to appropriate general funds to be expended in fiscal year 2015-2016 in accordance with section 237D-6.5(b)(5), Hawaii Revised Statutes, for visitor industry-related programs and projects.

The legislature finds that, for technical reasons, the \$3,000,000 in general funds set aside from the transient accommodations tax revenues under section 237D-6.5(b)(5), Hawaii Revised Statutes, for visitor industry-related programs and projects cannot be expended. The legislature further finds that the moneys set aside for fiscal year 2015-2016 should be expended to implement the policy decision of the legislature to commence the set aside.

In part I of this Act, the legislature amends section 237D-6.5(b)(5), Hawaii Revised Statutes, to deposit the \$3,000,000 into the special land and development fund for expenditure on visitor industry-related programs and projects. The amendments take effect on July 1, 2016. The legislature has delayed the effective date in order to review the special land and development fund during the interim between the regular sessions of 2015 and 2016. The legislature finds that depositing the revenues into the special land and development fund from July 1, 2015, may complicate the planned review of the fund.

SECTION 8. There is appropriated out of the general revenues of the State of Hawaii the sum of \$3,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 for the following:

- (1) The protection, preservation, maintenance, and enhancement of natural resources, including beaches, important to the visitor industry;
- (2) Planning, construction, and repair of facilities; and
- (3) Operation and maintenance costs of public lands, including beaches, connected with enhancing the visitor experience.

The sum appropriated shall be expended by the board of land and natural resources in accordance with the Hawaii tourism authority strategic plan.

Notwithstanding section 237D-6.5(b)(5), Hawaii Revised Statutes, the board of land and natural resources may expend the appropriation without the agreement of the board of directors of the Hawaii tourism authority.

SECTION 9. The appropriation in section 8 shall be deemed an appropriation of the \$3,000,000 in general funds set aside under section 237D-6.5(b)(5), Hawaii Revised Statutes, for fiscal year 2015-2016.

**PART IV**

SECTION 10. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 11. This Act shall take effect upon its approval; provided that part I shall take effect on July 1, 2016.

(Approved June 12, 2015.)

## ACT 118

S.B. NO. 101

A Bill for an Act Relating to the Budget.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The State began using Hawaii tobacco settlement special fund moneys fifteen years ago to support tobacco prevention and control, health promotion, disease prevention, and children's health programs. Since then, the State has made great strides in tobacco prevention and control; however, the legislature finds that the revenue stream into the Hawaii tobacco settlement special fund has fluctuated. In addition, varying state needs for tobacco prevention and control programs have led to significant variations in the allocations from the Hawaii tobacco settlement special fund from year to year.

The purpose of this Act is to enable greater budgetary stability and transparency over state funds and maximize financial resources for tobacco prevention and control by:

- (1) Amending the distribution amounts allocated from the Hawaii tobacco settlement special fund; and
- (2) Appropriating general fund revenues to budget programs and items that were formerly supported by the Hawaii tobacco settlement special fund.

SECTION 2. Section 328L-2, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The fund shall be used for the purpose of receiving, allocating, and appropriating the tobacco settlement moneys as follows:

- (1) ~~[Twenty-four and one-half]~~ Fifteen per cent shall be appropriated into the emergency and budget reserve fund under section 328L-3;
  - ~~[(2) Thirty-five per cent shall be appropriated to the department for purposes of section 328L-4;~~
  - ~~(3)~~ (2) Twelve and one-half per cent shall be appropriated into the Hawaii tobacco prevention and control trust fund under section 328L-5; ~~and~~
  - ~~(4) Twenty-eight]~~ (3) Twenty-six per cent shall be appropriated into the university revenue-undertakings fund created in section ~~[[304A-2167];~~ 304A-2167.5, to be applied ~~[solely]~~ to the payment of the principal of and interest on, and to generate required coverage, if any, for, revenue bonds issued by the board of regents of the University of Hawaii to finance the cost of construction of a university health and wellness center, including a new medical school facility, to be situated on the island of Oahu, ~~for the succeeding fiscal year; provided that any moneys in excess of the amount required to pay principal of and interest on, and to generate required coverage, if any, for such revenue bonds in any fiscal year, shall be transferred as follows:~~
    - ~~(A) To the emergency and budget reserve fund under section 328L-3, eighty per cent of the excess; and~~
    - ~~(B) To the Hawaii tobacco prevention and control trust fund under section 328L-5, twenty per cent of the excess]; and~~
  - (4) Any remaining amounts shall be deposited to the credit of the state general fund;
- in the succeeding fiscal year."

SECTION 3. Section 328L-5, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

“(a) There is established the Hawaii tobacco prevention and control trust fund as a separate fund of a nonprofit entity having a board of directors and qualifying under section 501(c)(3) of the Internal Revenue Code of 1986, as amended, into which shall be deposited moneys received as provided under section [~~328L-2(b)(3);~~] 328L-2(b)(2). The director of health with the concurrence of the governor, shall select, in accordance with law, the entity based upon the proven record of accomplishment of the entity in administering a similar trust fund.”

2. By amending subsection (e) to read:

“(e) The assets of the Hawaii tobacco prevention and control trust fund shall consist of:

- (1) Moneys appropriated under section [~~328L-2(b)(3);~~] 328L-2(b)(2);
- (2) Moneys appropriated to the Hawaii tobacco prevention and control trust fund by the state, county, or federal government;
- (3) Private contributions of cash or property; and
- (4) Income and capital gains earned by the trust fund.”

SECTION 4. Section 328L-4, Hawaii Revised Statutes, is repealed.

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$4,716,750 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 for health care payments (HMS401) for operating expenses of the children's health insurance program.

The sums appropriated shall be expended by the department of human services for the purposes of this Act.

SECTION 6. There is appropriated out of the general revenues of the State of Hawaii the sum of \$6,424,410 or so much thereof as may be necessary for fiscal year 2015-2016 and the sum of \$6,507,305 or so much thereof as may be necessary for fiscal year 2016-2017 to fund positions and other operating expenditures in HTH590, chronic disease prevention and health promotion, for the purposes of this Act; provided that funds appropriated in this Act may be transferred with the approval of the governor to HTH590, chronic disease prevention and health promotion, in the General Appropriations Act of 2015 (House Bill No. 500, H.D. 1, S.D. 1, C.D. 1)<sup>1</sup>, for expenditure.

The sums appropriated shall be expended by the department of health for the purposes of this Act.

SECTION 7. There is appropriated out of the general revenues of the State of Hawaii the sum of \$3,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 for family health services (HTH560) to be matched by \$9,000,000 in federal funds for the Hawaii Home Visiting Network program.

The sums appropriated shall be expended by the department of health for the purposes of this Act.

SECTION 8. The department of health shall submit a report to the legislature no later than February 1, 2016, on the expenditure of moneys appropriated under section 6 of this Act. The report shall include itemized lists of expenditures:

- (1) Made from July 1, 2015, to December 31, 2015; and
- (2) Made or planned for the period of January 1, 2016, to June 30, 2016.

SECTION 9. Statutory material to be repealed is bracketed and stricken.<sup>2</sup> New statutory material is underscored.

SECTION 10. This Act shall take effect on July 1, 2015.

(Approved June 12, 2015.)

#### Notes

1. Act 119.
2. Edited pursuant to HRS §23G-16.5.

## ACT 119

H.B. NO. 500

A Bill for an Act Relating to the State Budget.

*Be It Enacted by the Legislature of the State of Hawaii:*

### PART I. GENERAL PROVISIONS

SECTION 1. SHORT TITLE. This Act shall be known and may be cited as the General Appropriations Act of 2015.

SECTION 2. DEFINITIONS. Unless otherwise clear from the context, as used in this Act:

(a) "Program ID" means the unique identifier for the specific program, and consists of the abbreviation for the organization responsible for carrying out the program, followed by the organization number for the program.

(b) "Expending agency" means the executive department, independent commission, bureau, office, board, or other establishment of the state government (other than the legislature, office of Hawaiian affairs, and judiciary), the political subdivisions of the State, or any quasi-public institution supported in whole or in part by state funds, which is authorized to expend specified appropriations made by this Act.

Abbreviations where used to denote the expending agency shall mean the following:

AGR	Department of Agriculture
AGS	Department of Accounting and General Services
ATG	Department of the Attorney General
BED	Department of Business, Economic Development, and Tourism
BUF	Department of Budget and Finance
CCA	Department of Commerce and Consumer Affairs
DEF	Department of Defense
EDN	Department of Education
GOV	Office of the Governor
HHL	Department of Hawaiian Home Lands
HMS	Department of Human Services
HRD	Department of Human Resources Development
HTH	Department of Health
LBR	Department of Labor and Industrial Relations

LNR Department of Land and Natural Resources  
LTG Office of the Lieutenant Governor  
PSD Department of Public Safety  
SUB Subsidies  
TAX Department of Taxation  
TRN Department of Transportation  
UOH University of Hawaii  
CCH City and County of Honolulu  
COH County of Hawaii  
COK County of Kauai  
COM County of Maui

(c) "Means of financing" (or "MOF") means the source from which funds are appropriated or authorized to be expended for the programs and projects specified in this Act. All appropriations are followed by letter symbols. Such letter symbols, where used, shall have the following meanings:

A general funds  
B special funds  
C general obligation bond fund  
D general obligation bond fund with debt service cost to be paid from special funds  
E revenue bond funds  
J federal aid interstate funds  
K federal aid primary funds  
L federal aid secondary funds  
M federal aid urban funds  
N federal funds  
P other federal funds  
R private contributions  
S county funds  
T trust funds  
U interdepartmental transfers  
V federal stimulus funds  
W revolving funds  
X other funds

(d) "Position ceiling" means the maximum number of permanent positions that an expending agency is authorized for a particular program during a specified period or periods, as denoted by an asterisk.

(e) "Capital project number" means the official number of the capital project, as assigned by the responsible organization.

## PART II. PROGRAM APPROPRIATIONS

SECTION 3. APPROPRIATIONS. The following sums, or so much thereof as may be sufficient to accomplish the purposes and programs designated herein, are hereby appropriated or authorized, as the case may be, from the means of financing specified to the expending agencies designated for the fiscal biennium beginning July 1, 2015, and ending June 30, 2017. The total expenditures and the number of positions in each fiscal year of the biennium shall not exceed the sums and the number indicated for each fiscal year, except as provided elsewhere in this Act, or as provided by general law.

## PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
<b>A. ECONOMIC DEVELOPMENT</b>					
1.	BED100 - STRATEGIC MARKETING & SUPPORT			10.00*	10.00*
	OPERATING		BED	1,757,869 A	1,281,350 A
			BED	1,821,915 W	1,821,915 W
2.	BED105 - CREATIVE INDUSTRIES DIVISION			11.00*	11.00*
	OPERATING		BED	1,206,995 A	1,179,851 A
	INVESTMENT CAPITAL		BED	500,000 C	C
3.	BED107 - FOREIGN TRADE ZONE			17.00*	17.00*
	OPERATING		BED	2,127,755 B	2,156,516 B
	INVESTMENT CAPITAL		BED	2,170,000 C	C
4.	BED142 - GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT			24.00*	24.00*
	OPERATING		BED	1,880,945 A	1,944,247 A
5.	BED113 - TOURISM			5.00*	5.00*
	OPERATING		BED	141,274,618 B	141,327,051 B
6.	AGR101 - FINANCIAL ASSISTANCE FOR AGRICULTURE				
	OPERATING		AGR	102,500 A	A
				9.00*	9.00*
			AGR	1,254,574 B	1,296,844 B
			AGR	5,500,000 W	5,500,000 W
7.	AGR122 - PLANT PEST AND DISEASE CONTROL			84.00*	84.00*
	OPERATING		AGR	5,659,086 A	5,789,598 A
				42.00*	42.00*
			AGR	8,547,965 B	8,376,340 B
			AGR	2,500 N	2,500 N
			AGR	512,962 T	512,962 T
			AGR	152,139 U	190,656 U
			AGR	50,360 W	50,360 W
			AGR	673,089 P	673,089 P
8.	AGR131 - RABIES QUARANTINE			36.32*	36.32*
	OPERATING		AGR	3,627,701 B	3,694,907 B
9.	AGR132 - ANIMAL DISEASE CONTROL			13.68*	13.68*
	OPERATING		AGR	1,435,509 A	1,462,592 A
				5.00*	5.00*
			AGR	281,052 B	281,052 B
			AGR	377,518 P	377,518 P
10.	LNR172 - FORESTRY - RESOURCE MANAGEMENT AND DEVELOPMENT			17.50*	17.50*
	OPERATING		LNR	741,504 A	623,301 A
			LNR	1,955,475 B	1,955,475 B
				1.50*	1.50*
	INVESTMENT CAPITAL		LNR	8,820,000 P	1,045,000 P
			LNR	C	1,000,000 C

PROGRAM APPROPRIATIONS

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				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
11.	AGR151	QUALITY AND PRICE ASSURANCE			
	OPERATING		AGR	16.00* 1,629,595 A 3.00* 405,821 B 300,000 T 536,020 W 78,624 P	16.00* 1,304,505 A 3.00* 408,707 B 300,000 T 536,020 W 78,624 P
12.	AGR171	AGRICULTURAL DEVELOPMENT AND MARKETING			
	OPERATING		AGR	14.00* 1,706,298 A 420,000 B 234,794 N	14.00* 1,730,424 A 420,000 B 249,280 N
13.	AGR141	AGRICULTURAL RESOURCE MANAGEMENT			
	OPERATING		AGR	6.00* 488,664 A 24.50* 2,471,717 B 7.50*	6.00* 426,402 A 24.50* 2,500,055 B 7.50*
	INVESTMENT CAPITAL		AGR	1,206,668 W 3,700,000 C	1,217,990 W C
14.	AGR161	AGRIBUSINESS DEVELOPMENT AND RESEARCH			
	OPERATING		AGR	50,601 A 500,000 B 4,256,639 W	50,601 A 500,000 B 3,780,907 W
	INVESTMENT CAPITAL		AGR	10,000,000 C	C
15.	AGR192	GENERAL ADMINISTRATION FOR AGRICULTURE			
	OPERATING		AGR	24.00* 1,919,767 A 5.00*	24.00* 1,960,563 A 5.00*
	INVESTMENT CAPITAL		AGS	1,108,280 B 1,400,000 C	1,108,280 B 500,000 C
16.	LNR153	FISHERIES MANAGEMENT			
	OPERATING		LNR	9.00* 763,778 A 1.00* 306,750 B 389,326 N 2.00*	9.00* 768,949 A 1.00* 306,750 B 389,326 N 2.00*
	INVESTMENT CAPITAL		LNR	249,058 P 1,500,000 C	255,058 P C
17.	AGR153	AQUACULTURE DEVELOPMENT PROGRAM			
	OPERATING		AGR	4.00* 333,736 A 125,000 B	4.00* 341,548 A 125,000 B
18.	BED120	HAWAII STATE ENERGY OFFICE			
	OPERATING		BED	222,974 A 5.00* 55,542,457 B 1,500,000 N	A 5.00* 55,637,292 B N
19.	BED143	HIGH TECHNOLOGY DEVELOPMENT CORPORATION			
	OPERATING		BED	1.50* 1,064,602 A	1.50* 1,075,881 A

## PROGRAM APPROPRIATIONS

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				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
				1.50*	1.50*
			BED	3,789,550 B	3,805,488 B
			BED	1,500,000 W	1,500,000 W
			BED	15,989,710 P	15,989,710 P
20.	BED145 - HAWAII STRATEGIC DEVELOPMENT CORPORATION	OPERATING	BED	2,608,516 B	2,608,516 B
			BED	4,307,923 W	4,314,406 W
21.	BED146 - NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY	OPERATING	BED	7,770,736 B	7,816,399 B
		INVESTMENT CAPITAL	BED	330,000 C	C
22.	BED138 - HAWAII GREEN INFRASTRUCTURE AUTHORITY	OPERATING	BED	1,000,000 B	1,000,000 B
23.	LNR141 - WATER AND LAND DEVELOPMENT	OPERATING	LNR	1.50* 211,874 A	1.50* 213,901 A
				4.00* 709,916 B	4.00* 709,916 B
			LNR	188,181 T	188,181 T
		INVESTMENT CAPITAL	LNR	3,250,000 C	8,000,000 C
24.	BED150 - HAWAII COMMUNITY DEVELOPMENT AUTHORITY	OPERATING	BED	2.00* 1,191,051 W	2.00* 1,209,705 W
		INVESTMENT CAPITAL	BED	3,355,000 C	C
25.	BED160 - HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION	OPERATING	BED	3,000,000 N	3,000,000 N
			BED	88,000,000 T	88,000,000 T
				32.00* 9,842,663 W	32.00* 10,789,340 W
		INVESTMENT CAPITAL	BED	41,700,000 C	C
26.	BED128 - OFFICE OF AEROSPACE	OPERATING	BED	904,347 A	909,391 A
<b>B. EMPLOYMENT</b>					
1.	LBR111 - WORKFORCE DEVELOPMENT	OPERATING	LBR	1.20* 752,551 A	1.20* 752,963 A
			LBR	5,940,010 B	5,940,010 B
				112.80* 14,741,622 N	112.80* 14,877,568 N
			LBR	1,553,875 U	1,573,320 U
			LBR	1,640,000 P	1,640,000 P
		INVESTMENT CAPITAL	LBR	8,500,000 C	C
2.	LBR135 - WORKFORCE DEVELOPMENT COUNCIL	OPERATING	LBR	0.10* 12,322 A	0.10* 12,560 A
				0.90* 1,042,194 N	0.90* 1,055,639 N
			LBR	600,000 P	600,000 P
3.	LBR171 - UNEMPLOYMENT INSURANCE PROGRAM	OPERATING	LBR	361,191,310 B	361,191,310 B



PROGRAM APPROPRIATIONS

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				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
			LBR	251.50 * 22,795,060 N	251.50 * 23,446,737 N
4.	LBR903 -	OFFICE OF COMMUNITY SERVICES			
	OPERATING		LBR	2.00 * 3,513,791 A	2.00 * 1,903,387 A
			LBR	5,000 B	B
			LBR	2.00 * 4,374,739 N	2.00 * 4,389,091 N
			LBR	1,200,000 U	1,200,000 U
			LBR	200,000 P	200,000 P
	INVESTMENT CAPITAL		LBR	590,000 C	C
5.	HMS802 -	VOCATIONAL REHABILITATION			
	OPERATING		HMS	36.27 * 4,571,149 A	36.27 * 4,569,650 A
			HMS	68.23 * 14,357,041 N	68.23 * 14,536,349 N
			HMS	1,330,200 W	1,330,200 W
6.	LBR143 -	HAWAII OCCUPATIONAL SAFETY AND HEALTH PROGRAM			
	OPERATING		LBR	17.10 * 1,010,389 A	17.10 * 1,051,969 A
			LBR	22.00 * 2,940,342 B	22.00 * 2,972,676 B
			LBR	70,000 W	70,000 W
			LBR	19.90 * 2,044,065 P	19.90 * 2,089,716 P
7.	LBR152 -	WAGE STANDARDS PROGRAM			
	OPERATING		LBR	17.00 * 1,097,103 A	17.00 * 1,124,723 A
8.	LBR153 -	HAWAII CIVIL RIGHTS COMMISSION			
	OPERATING		LBR	21.50 * 1,543,929 A	21.50 * 1,581,501 A
			LBR	0.50 * 250,000 P	0.50 * 250,000 P
9.	LBR183 -	DISABILITY COMPENSATION PROGRAM			
	OPERATING		LBR	86.00 * 5,876,215 A	86.00 * 5,115,340 A
			LBR	9.00 * 23,851,406 B	9.00 * 23,851,406 B
10.	LBR161 -	HAWAII LABOR RELATIONS BOARD			
	OPERATING		LBR	1.00 * 741,559 A	1.00 * 759,739 A
11.	LBR812 -	LABOR AND INDUSTRIAL RELATIONS APPEALS BOARD			
	OPERATING		LBR	9.00 * 878,883 A	9.00 * 899,970 A
12.	LBR871 -	EMPLOYMENT SECURITY APPEALS REFEREES' OFFICE			
	OPERATING		LBR	12.00 * 1,102,225 N	12.00 * 1,134,800 N
13.	LBR901 -	RESEARCH AND STATISTICS			
	OPERATING		LBR	4.38 * 453,294 A	4.38 * 464,478 A
			LBR	0.55 * 0.55 *	0.55 * 0.55 *

## PROGRAM APPROPRIATIONS

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				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
			LBR	456,604N	468,969N
				26.07*	26.07*
			LBR	911,869P	910,533P
14.	LBR902	GENERAL ADMINISTRATION			
		OPERATING	LBR	21.83*	21.83*
			LBR	1,885,082A	1,928,942A
			LBR	200,000B	200,000B
				31.17*	31.17*
			LBR	3,241,415P	3,232,931P
<b>C. TRANSPORTATION FACILITIES</b>					
1.	TRN102	HONOLULU INTERNATIONAL AIRPORT			
		OPERATING	TRN	618.50*	618.50*
		INVESTMENT CAPITAL	TRN	161,086,396B	159,016,396B
			TRN	105,550,000E	91,740,000E
			TRN	20,800,000N	5,450,000N
2.	TRN104	GENERAL AVIATION			
		OPERATING	TRN	30.00*	30.00*
			TRN	6,934,709B	7,509,709B
			TRN	3,000,000N	4,200,000N
3.	TRN111	HILO INTERNATIONAL AIRPORT			
		OPERATING	TRN	82.00*	82.00*
		INVESTMENT CAPITAL	TRN	16,101,488B	16,186,582B
			TRN	650,000E	3,590,000E
			TRN	3,150,000N	N
4.	TRN114	KONA INTERNATIONAL AIRPORT AT KEAHOLE			
		OPERATING	TRN	86.00*	86.00*
		INVESTMENT CAPITAL	TRN	20,871,885B	21,643,550B
			TRN	2,500,000C	C
			TRN	5,000,000E	36,000,000E
			TRN	N	20,000,000N
5.	TRN116	WAIMEA-KOHALA AIRPORT			
		OPERATING	TRN	6.00*	6.00*
				1,341,849B	916,849B
6.	TRN118	UPOLU AIRPORT			
		OPERATING	TRN	649,500B	760,500B
7.	TRN131	KAHULUI AIRPORT			
		OPERATING	TRN	162.00*	162.00*
		INVESTMENT CAPITAL	TRN	31,665,832B	32,598,011B
			TRN	5,000,000E	14,600,000E
8.	TRN133	HANA AIRPORT			
		OPERATING	TRN	8.00*	8.00*
			TRN	1,244,688B	1,514,688B
		INVESTMENT CAPITAL	TRN	N	2,000,000N
			TRN	19,189,000E	1,250,000E
			TRN	1,890,000N	11,250,000N
9.	TRN135	KAPALUA AIRPORT			
		OPERATING	TRN	11.00*	11.00*
				2,244,974B	2,229,974B

## PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
10.	TRN141	MOLOKAI AIRPORT			
		OPERATING	TRN	13.00*	13.00*
		INVESTMENT CAPITAL	TRN	2,787,571 B	2,740,300 B
				200,000 E	3,000,000 E
11.	TRN143	KALAUPAPA AIRPORT			
		OPERATING	TRN	9.00*	9.00*
			TRN	1,550,227 B	1,370,627 B
				600,000 N	N
12.	TRN151	LANAI AIRPORT			
		OPERATING	TRN	11.00*	11.00*
		INVESTMENT CAPITAL	TRN	2,422,901 B	2,447,901 B
				E	1,500,000 E
13.	TRN161	LIHUE AIRPORT			
		OPERATING	TRN	101.00*	101.00*
			TRN	20,397,425 B	19,792,342 B
		INVESTMENT CAPITAL	TRN	4,000,000 N	1,122,300 N
			TRN	5,465,000 E	E
			TRN	14,535,000 N	N
14.	TRN163	PORT ALLEN AIRPORT			
		OPERATING	TRN	26,841 B	26,841 B
			TRN	150,000 N	N
15.	TRN195	AIRPORTS ADMINISTRATION			
		OPERATING	TRN	126.00*	126.00*
		INVESTMENT CAPITAL	TRN	176,969,689 B	228,348,698 B
			TRN	102,111,000 B	13,800,000 B
			TRN	130,689,000 E	1,000,000 E
			TRN	7,500,000 N	7,500,000 N
			TRN	125,000 X	125,000 X
16.	TRN301	HONOLULU HARBOR			
		OPERATING	TRN	116.00*	116.00*
		INVESTMENT CAPITAL	TRN	26,424,201 B	26,632,246 B
				260,000,000 E	E
17.	TRN303	KALAELOA BARBERS POINT HARBOR			
		OPERATING	TRN	3.00*	3.00*
		INVESTMENT CAPITAL	TRN	1,857,095 B	1,861,801 B
				4,000,000 E	50,000,000 E
18.	TRN311	HILO HARBOR			
		OPERATING	TRN	14.00*	14.00*
		INVESTMENT CAPITAL	TRN	2,952,723 B	2,979,937 B
				925,000 B	500,000 B
19.	TRN313	KAWAIHAE HARBOR			
		OPERATING	TRN	2.00*	2.00*
				1,284,958 B	1,284,958 B
20.	TRN331	KAHULUI HARBOR			
		OPERATING	TRN	18.00*	18.00*
		INVESTMENT CAPITAL	TRN	4,190,923 B	4,081,835 B
				27,500,000 E	10,500,000 E
21.	TRN341	KAUNAKAKAI HARBOR			
		OPERATING	TRN	1.00*	1.00*
				598,455 B	598,455 B

## PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
22.	TRN361	NAWILIWILI HARBOR			
	OPERATING		TRN	15.00 * 2,991,059 B	15.00 * 3,023,016 B
23.	TRN363	PORT ALLEN HARBOR			
	OPERATING		TRN	1.00 * 415,660 B	1.00 * 415,660 B
24.	TRN351	KAUMALAPAU HARBOR			
	OPERATING		TRN	465,000 B	465,000 B
25.	TRN395	HARBORS ADMINISTRATION			
	OPERATING		TRN	77.00 * 68,355,305 B	77.00 * 64,881,614 B
	INVESTMENT CAPITAL		TRN	3,650,000 B	3,650,000 B
			TRN	5,000,000 C	C
			TRN	15,235,000 E	15,235,000 E
26.	TRN333	HANA HARBOR			
	OPERATING		TRN	42,519 B	42,519 B
27.	TRN501	OAHU HIGHWAYS			
	OPERATING		TRN	224.00 * 107,380,915 B	224.00 * 107,963,563 B
	INVESTMENT CAPITAL		TRN	3,100,000 N	3,100,000 N
			TRN	1,585,000 C	C
			TRN	18,180,000 E	16,480,000 E
			TRN	38,680,000 N	18,920,000 N
28.	TRN511	HAWAII HIGHWAYS			
	OPERATING		TRN	131.00 * 27,704,384 B	131.00 * 27,322,054 B
	INVESTMENT CAPITAL		TRN	18,800,000 E	2,000,000 E
			TRN	910,000 N	8,000,000 N
29.	TRN531	MAUI HIGHWAYS			
	OPERATING		TRN	89.00 * 30,948,787 B	89.00 * 31,147,723 B
	INVESTMENT CAPITAL		TRN	17,815,000 E	3,600,000 E
			TRN	1,080,000 N	2,800,000 N
30.	TRN561	KAUAI HIGHWAYS			
	OPERATING		TRN	51.00 * 15,650,246 B	51.00 * 15,735,002 B
	INVESTMENT CAPITAL		TRN	5,560,000 E	7,690,000 E
			TRN	12,440,000 N	30,160,000 N
31.	TRN595	HIGHWAYS ADMINISTRATION			
	OPERATING		TRN	90.00 * 70,526,593 B	90.00 * 106,815,214 B
	INVESTMENT CAPITAL		TRN	3,850,750 N	3,951,750 N
			TRN	16,000,000 B	16,000,000 B
			TRN	29,183,000 E	14,889,000 E
			TRN	44,542,000 N	51,651,000 N
32.	TRN597	HIGHWAY SAFETY			
	OPERATING		TRN	34.20 * 10,478,394 B	34.20 * 10,491,989 B
			TRN	6.00 * 4,531,000 N	6.00 * 4,531,000 N
			TRN	0.80 * 745,734 P	0.80 * 745,734 P

## PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
33.	TRN995	GENERAL ADMINISTRATION			
	OPERATING		TRN	106.00*	106.00*
				17,620,532B	17,934,751B
				1.00*	1.00*
			TRN	8,275,697N	8,506,808N
			TRN	423,067R	423,067R
34.	TRN695	ALOHA TOWER DEVELOPMENT CORPORATION			
	OPERATING		TRN	1,839,565B	1,842,173B
<b>D. ENVIRONMENTAL PROTECTION</b>					
1.	HTH840	ENVIRONMENTAL MANAGEMENT			
	OPERATING		HTH	56.00*	56.00*
				4,052,175A	4,141,792A
				67.00*	67.00*
			HTH	81,560,282B	81,670,636B
				35.80*	35.80*
			HTH	6,121,680N	8,746,112N
				2.00*	2.00*
			HTH	174,454U	174,454U
				29.20*	29.20*
			HTH	208,421,779W	208,576,658W
				9.00*	9.00*
	INVESTMENT CAPITAL		HTH	2,046,000P	2,046,000P
			HTH	3,941,000C	3,941,000C
			HTH	19,704,000N	19,704,000N
2.	AGR846	PESTICIDES			
	OPERATING		AGR	14.00*	14.00*
				686,405A	747,461A
				10.00*	10.00*
			AGR	1,701,850W	1,791,118W
				2.00*	2.00*
			AGR	446,129P	446,129P
3.	LNR401	ECOSYSTEM PROTECTION AND RESTORATION			
	OPERATING		LNR	19.50*	19.50*
				2,270,012A	2,030,689A
				1.00*	1.00*
			LNR	39,413B	39,413B
			LNR	1,668,050N	1,689,455N
				0.50*	0.50*
			LNR	2,191,388P	2,115,388P
4.	LNR402	NATIVE RESOURCES AND FIRE PROTECTION PROGRAM			
	OPERATING		LNR	49.50*	49.50*
				4,743,057A	4,835,987A
				8.00*	8.00*
			LNR	1,587,764N	1,787,764N
			LNR	192,520T	230,167T
			LNR	1,846,262U	1,846,262U
				2.50*	2.50*
	INVESTMENT CAPITAL		LNR	1,361,760P	1,361,760P
			LNR	3,600,000C	2,200,000C
5.	LNR404	WATER RESOURCES			
	OPERATING		LNR	18.00*	18.00*
				2,323,264A	2,348,689A
				5.00*	5.00*
			LNR	978,575B	988,617B

## PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
6.	LNR405	CONSERVATION AND RESOURCES ENFORCEMENT		109.25*	109.25*
	OPERATING	LNR	7,877,898A	18.00*	7,897,016A
		LNR	2,502,117B	2.75*	2,502,117B
		LNR	982,711N	32,333W	984,653N
		LNR	32,333W	930,000P	32,333W
	INVESTMENT CAPITAL	LNR	424,000C		930,000P
		LNR	1,200,000N		C
					N
7.	LNR407	NATURAL AREA RESERVES AND WATERSHED MANAGEMENT		28.50*	28.50*
	OPERATING	LNR	815,017A	0.50*	843,720A
		LNR	1,554,911P		0.50*
	INVESTMENT CAPITAL	LNR	2,950,000C		1,854,911P
					1,000,000C
8.	HTH850	OFFICE OF ENVIRONMENTAL QUALITY CONTROL		5.00*	5.00*
	OPERATING	HTH	373,582A		382,957A
9.	LNR906	LNR - NATURAL AND PHYSICAL ENVIRONMENT		34.00*	34.00*
	OPERATING	LNR	2,376,019A	14.00*	2,431,898A
		LNR	1,431,618B		14.00*
	INVESTMENT CAPITAL	LNR	8,297,000C		1,465,911B
					3,253,000C
10.	HTH849	ENVIRONMENTAL HEALTH ADMINISTRATION		21.00*	21.00*
	OPERATING	HTH	4,695,474A	0.50*	3,543,388A
		HTH	48,271B	5.50*	48,271B
		HTH	703,251N	12.00*	758,374N
		HTH	2,240,067W	11.00*	12.00*
		HTH	2,606,686P		11.00*
					2,281,573W
					2,417,217P

## E. HEALTH

1.	HTH100	COMMUNICABLE DISEASE AND PUBLIC HEALTH NURSING		249.87*	249.87*
	OPERATING	HTH	25,951,065A	1.00*	25,993,987A
		HTH	422,589B		1.00*
		HTH	3,830,015N		422,589B
		HTH	142,627U		3,906,870N
		HTH	5,008,971P		142,627U
					16.00*
					5,008,971P
2.	HTH131	DISEASE OUTBREAK CONTROL		20.60*	20.60*
	OPERATING	HTH	1,733,714A	31.40*	1,775,150A
		HTH	11,110,428N		31.40*
		HTH	1,819,639P		11,215,072N
					1,819,639P

PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
3.		HTH730 - EMERGENCY MEDICAL SERVICES AND INJURY PREVENTION SYSTEM			
	OPERATING		HTH	13.00*	13.00*
			HTH	63,100,663 A	66,302,695 A
			HTH	22,224,866 B	22,230,234 B
			HTH	240,000 P	840,000 P
4.		HTH560 - FAMILY HEALTH SERVICES			
	OPERATING		HTH	108.00*	108.00*
			HTH	26,166,631 A	26,128,760 A
			HTH	14.00*	14.00*
			HTH	21,067,833 B	21,085,234 B
			HTH	171.00*	171.00*
			HTH	46,545,016 N	48,354,032 N
			HTH	203,441 U	203,441 U
			HTH	6.50*	6.50*
			HTH	8,499,983 P	8,551,205 P
5.		HTH590 - CHRONIC DISEASE PREVENTION AND HEALTH PROMOTION			
	OPERATING		HTH	39.50*	39.50*
			HTH	A	A
			HTH	48,599,577 B	48,656,356 B
			HTH	610,000 U	610,000 U
			HTH	10.50*	10.50*
			HTH	7,358,454 P	13,046,023 P
6.		HTH595 - HEALTH RESOURCES ADMINISTRATION			
	OPERATING		HTH	2.00*	2.00*
			HTH	180,275 A	182,869 A
7.		HTH210 - HAWAII HEALTH SYSTEMS CORPORATION - CORPORATE OFFICE			
	OPERATING		HTH	54.50*	54.50*
			HTH	12,509,280 B	12,509,280 B
8.		HTH211 - KAHUKU HOSPITAL			
	OPERATING		HTH	1,500,000 A	1,500,000 A
9.		HTH212 - HAWAII HEALTH SYSTEMS CORPORATION - REGIONS			
	OPERATING		HTH	105,940,000 A	84,940,000 A
			HTH	2,780.75*	2,780.75*
	INVESTMENT CAPITAL		HTH	541,627,536 B	547,570,474 B
			HTH	20,000,000 C	12,000,000 C
10.		HTH213 - ALII COMMUNITY CARE			
	OPERATING		HTH	2,500,000 B	2,500,000 B
11.		HTH420 - ADULT MENTAL HEALTH - OUTPATIENT			
	OPERATING		HTH	152.50*	152.50*
			HTH	60,367,212 A	60,895,203 A
			HTH	11,610,000 B	11,610,000 B
			HTH	1,632,230 N	1,632,230 N
12.		HTH430 - ADULT MENTAL HEALTH - INPATIENT			
	OPERATING		HTH	639.00*	639.00*
			HTH	66,238,553 A	67,046,858 A
13.		HTH440 - ALCOHOL AND DRUG ABUSE			
	OPERATING		HTH	22.00*	22.00*
			HTH	18,918,377 A	18,784,583 A
			HTH	750,000 B	750,000 B
			HTH	6.00*	6.00*

## PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
			HTH	8,204,680N	8,229,173N
			HTH	8,435,852P	8,435,852P
14.	HTH460	CHILD AND ADOLESCENT MENTAL HEALTH			
	OPERATING		HTH	160.00*	160.00*
			HTH	41,085,841A	41,430,392A
			HTH	17.00*	17.00*
			HTH	15,043,973B	15,070,731B
			HTH	1,086,262N	1,157,348N
			HTH	2,275,159U	2,281,992U
			HTH	2,928,851P	2,928,851P
15.	HTH501	DEVELOPMENTAL DISABILITIES			
	OPERATING		HTH	203.75*	203.75*
			HTH	75,228,889A	75,569,031A
			HTH	3.00*	3.00*
			HTH	1,038,992B	1,038,992B
16.	HTH495	BEHAVIORAL HEALTH ADMINISTRATION			
	OPERATING		HTH	46.50*	46.50*
			HTH	6,619,690A	6,775,681A
			HTH	869,190P	137,363P
17.	HTH610	ENVIRONMENTAL HEALTH SERVICES			
	OPERATING		HTH	102.00*	102.00*
			HTH	6,301,233A	6,539,455A
			HTH	22.00*	22.00*
			HTH	2,351,455B	2,353,130B
			HTH	2.00*	2.00*
			HTH	340,454N	377,002N
			HTH	3.00*	3.00*
			HTH	122,183U	191,279U
			HTH	4.00*	4.00*
			HTH	381,534P	381,534P
18.	HTH710	STATE LABORATORY SERVICES			
	OPERATING		HTH	72.00*	72.00*
			HTH	7,245,724A	7,405,814A
			HTH	1,970,000P	470,000P
19.	HTH720	HEALTH CARE ASSURANCE			
	OPERATING		HTH	21.60*	21.60*
			HTH	2,330,433A	2,197,335A
			HTH	436,000B	421,000B
			HTH	14.40*	14.40*
			HTH	2,405,220P	2,405,220P
20.	HTH906	STATE HEALTH PLANNING AND DEVELOPMENT AGENCY			
	OPERATING		HTH	6.00*	6.00*
			HTH	531,900A	549,766A
			HTH	114,000B	114,000B
21.	HTH760	HEALTH STATUS MONITORING			
	OPERATING		HTH	29.50*	29.50*
			HTH	1,513,151A	1,527,496A
			HTH	1.00*	1.00*
			HTH	657,469B	660,466B
			HTH	3.00*	3.00*
			HTH	337,000P	341,000P



PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
22.	HTH905 - DEVELOPMENTAL DISABILITIES COUNCIL				
	OPERATING		HTH	1.50*	1.50*
				226,704A	229,114A
			HTH	6.50*	6.50*
				533,855N	553,768N
23.	HTH907 - GENERAL ADMINISTRATION				
	OPERATING		HTH	120.50*	120.50*
			HTH	9,856,000A	9,925,701A
			HTH	B	207,000B
			HTH	1,493,060P	1,493,060P
	INVESTMENT CAPITAL		AGS	3,559,000C	59,000C
			HTH	3,000,000C	C
24.	HTH908 - OFFICE OF LANGUAGE ACCESS				
	OPERATING		HTH	3.00*	3.00*
				317,102A	319,326A
<b>F. SOCIAL SERVICES</b>					
1.	HMS301 - CHILD PROTECTIVE SERVICES				
	OPERATING		HMS	224.10*	224.10*
			HMS	33,962,357A	34,116,769A
			HMS	1,007,587B	1,007,587B
			HMS	180.40*	180.40*
			HMS	40,817,133N	41,096,721N
			HMS	106,225P	106,225P
	INVESTMENT CAPITAL		HMS	88,000C	C
2.	HMS302 - GENERAL SUPPORT FOR CHILD CARE				
	OPERATING		HMS	19.57*	19.57*
			HMS	1,220,012A	1,185,741A
			HMS	19.43*	19.43*
			HMS	11,165,857N	11,205,464N
3.	HMS303 - CHILD PROTECTIVE SERVICES PAYMENTS				
	OPERATING		HMS	43,131,294A	43,131,294A
			HMS	23,614,626N	23,614,626N
4.	HMS305 - CASH SUPPORT FOR CHILD CARE				
	OPERATING		HMS	15,011,811A	15,011,811A
			HMS	38,530,754N	38,530,754N
5.	HMS501 - IN-COMMUNITY YOUTH PROGRAMS				
	OPERATING		HMS	14.00*	14.00*
			HMS	9,068,364A	8,850,128A
			HMS	2,571,059N	2,572,105N
6.	HMS503 - HAWAII YOUTH CORRECTIONAL FACILITY (HYCF)				
	OPERATING		HMS	121.00*	121.00*
				10,960,288A	11,189,185A
7.	DEF112 - SERVICES TO VETERANS				
	OPERATING		DEF	27.00*	27.00*
			DEF	2,927,623A	2,186,100A
			DEF	1,636,720P	P
	INVESTMENT CAPITAL		DEF	75,000C	25,384,000C
			DEF	N	37,429,000N

## PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
8.		HMS601 - ADULT AND COMMUNITY CARE SERVICES			
		OPERATING	HMS	71.48*	71.48*
			HMS	5,923,337A	5,662,274A
			HMS	7.02*	7.02*
			HMS	3,812,808N	3,836,261N
			HMS	10,000R	10,000R
			HMS	394,113U	395,900U
			HMS	1,321,390P	1,321,390P
9.		HMS202 - AGED, BLIND AND DISABLED PAYMENTS			
		OPERATING	HMS	4,029,480A	4,029,480A
10.		HMS204 - GENERAL ASSISTANCE PAYMENTS			
		OPERATING	HMS	23,889,056A	23,889,056A
11.		HMS206 - FEDERAL ASSISTANCE PAYMENTS			
		OPERATING	HMS	5,478,053N	5,478,053N
12.		HMS211 - CASH SUPPORT FOR FAMILIES - SELF-SUFFICIENCY			
		OPERATING	HMS	22,694,156A	22,694,156A
			HMS	44,000,000N	44,000,000N
13.		HMS220 - RENTAL HOUSING SERVICES			
		OPERATING	HMS	7,326,917A	4,332,198A
			HMS	200.00*	200.00*
			HMS	79,431,447N	79,710,677N
			HMS	21.00*	21.00*
		INVESTMENT CAPITAL	HMS	4,989,947W	5,005,456W
			HMS	5,000,000C	5,000,000C
14.		HMS229 - HPHA ADMINISTRATION			
		OPERATING	HMS	76.00*	76.00*
			HMS	39,086,881N	39,225,821N
			HMS	22.00*	22.00*
			HMS	3,763,717W	3,787,357W
15.		HMS222 - RENTAL ASSISTANCE SERVICES			
		OPERATING	HMS	1.25*	1.25*
			HMS	1,064,424A	1,067,871A
			HMS	16.75*	16.75*
			HMS	26,286,160N	26,321,749N
16.		HMS224 - HOMELESS SERVICES			
		OPERATING	HMS	9.00*	9.00*
			HMS	17,290,567A	15,631,738A
			HMS	626,906N	626,906N
			HMS	2,366,839P	2,366,839P
17.		HMS605 - COMMUNITY-BASED RESIDENTIAL SUPPORT			
		OPERATING	HMS	17,810,955A	17,810,955A
18.		HMS401 - HEALTH CARE PAYMENTS			
		OPERATING	HMS	870,805,644A	900,267,060A
			HMS	3,392,660B	1,376,660B
			HMS	1,371,256,037N	1,443,382,743N
			HMS	7,265,746U	6,781,921U
			HMS	13,216,034P	13,216,034P
19.		HMS236 - CASE MANAGEMENT FOR SELF-SUFFICIENCY			
		OPERATING	HMS	301.78*	301.78*
			HMS	14,660,144A	14,773,119A

PROGRAM APPROPRIATIONS

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				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
				237.22*	237.22*
			HMS	21,036,235 N	21,162,726 N
			HMS	2,763 P	2,763 P
20.	HMS238	- DISABILITY DETERMINATION			
	OPERATING		HMS	49.00*	49.00*
				7,734,711 N	7,948,770 N
21.	ATG500	- CHILD SUPPORT ENFORCEMENT SERVICES			
	OPERATING		ATG	74.80*	74.80*
			ATG	4,369,352 A	4,426,722 A
			ATG	2,231,224 T	2,231,224 T
				145.20*	145.20*
			ATG	16,194,827 P	16,194,827 P
22.	HMS237	- EMPLOYMENT AND TRAINING			
	OPERATING		HMS	469,505 A	469,505 A
			HMS	699,734 N	699,734 N
23.	HHL602	- PLANNING AND DEVELOPMENT FOR HAWAIIAN HOMESTEADS			
	OPERATING		HHL	9,632,000 A	9,632,000 A
				115.00*	115.00*
			HHL	13,517,243 B	13,664,596 B
				4.00*	4.00*
			HHL	23,317,601 N	23,317,601 N
				81.00*	81.00*
	INVESTMENT CAPITAL		HHL	11,037,323 T	11,154,080 T
			HHL	2,565,000 C	2,000,000 C
			HHL	20,000,000 N	20,000,000 N
24.	HTH904	- EXECUTIVE OFFICE ON AGING			
	OPERATING		HTH	5.74*	5.74*
				7,679,368 A	7,386,896 A
				8.26*	8.26*
			HTH	7,057,040 N	7,093,640 N
			HTH	972,286 P	678,810 P
25.	HTH520	- DISABILITY AND COMMUNICATIONS ACCESS BOARD			
	OPERATING		HTH	5.00*	5.00*
				1,139,409 A	1,165,086 A
				4.00*	4.00*
			HTH	588,878 B	606,706 B
				2.00*	2.00*
			HTH	273,411 U	280,848 U
26.	HMS902	- GENERAL SUPPORT FOR HEALTH CARE PAYMENTS			
	OPERATING		HMS	130.50*	130.50*
				9,067,507 A	9,134,028 A
				0.56*	0.56*
			HMS	1,539,357 B	1,539,357 B
				138.69*	138.69*
			HMS	25,430,221 N	25,514,680 N
			HMS	717,484 P	717,484 P
27.	HMS903	- GENERAL SUPPORT FOR SELF SUFFICIENCY SERVICES			
	OPERATING		HMS	50.32*	50.32*
				41,302,183 A	40,364,829 A
				44.68*	44.68*
			HMS	65,097,191 N	64,986,993 N
			HMS	460 P	460 P

PROGRAM APPROPRIATIONS

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				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
28.	HMS904	GENERAL ADMINISTRATION (DHS)		134.65*	134.65*
	OPERATING	HMS		9,070,167 A	10,362,521 A
		HMS		B	280,575 B
				26.35*	26.35*
		HMS		2,369,399 N	2,391,370 N
		HMS		604 P	604 P
29.	HMS901	GENERAL SUPPORT FOR SOCIAL SERVICES		14.65*	14.65*
	OPERATING	HMS		2,231,378 A	2,248,727 A
				4.35*	4.35*
		HMS		1,748,702 N	1,763,149 N
<b>G. FORMAL EDUCATION</b>					
1.	EDN100	SCHOOL-BASED BUDGETING		12,562.25*	12,562.25*
	OPERATING	EDN		880,317,495 A	902,601,815 A
		EDN		7,230,000 B	7,230,000 B
		EDN		138,331,226 N	138,331,226 N
		EDN		13,640,000 T	13,640,000 T
		EDN		7,495,605 U	7,495,605 U
		EDN		3,389,438 W	3,389,438 W
		EDN		7,534,000 P	7,534,000 P
	INVESTMENT CAPITAL	EDN		281,408,000 C	71,456,000 C
2.	EDN150	SPECIAL EDUCATION AND STUDENT SUPPORT SERVICES		5,175.50*	5,175.50*
	OPERATING	EDN		351,492,656 A	357,369,736 A
		EDN		100,000 B	100,000 B
				2.00*	2.00*
		EDN		48,899,355 N	48,899,355 N
				4.00*	4.00*
		EDN		3,500,000 W	3,500,000 W
3.	EDN200	INSTRUCTIONAL SUPPORT		377.00*	377.00*
	OPERATING	EDN		50,586,338 A	51,372,411 A
				11.00*	11.00*
		EDN		2,321,746 B	2,321,746 B
		EDN		500,000 N	500,000 N
		EDN		266,380 U	270,031 U
		EDN		228,000 P	228,000 P
4.	EDN300	STATE ADMINISTRATION		484.50*	484.50*
	OPERATING	EDN		46,984,179 A	47,929,682 A
		EDN		30,000 P	30,000 P
5.	EDN400	SCHOOL SUPPORT		636.00*	636.00*
	OPERATING	EDN		195,206,685 A	171,059,082 A
				726.50*	726.50*
		EDN		42,876,578 B	42,876,578 B
				3.00*	3.00*
		EDN		59,097,300 N	59,097,300 N
				4.00*	4.00*
	INVESTMENT CAPITAL	EDN		13,950,000 W	10,950,000 W
		EDN		6,500,000 C	6,500,000 C

PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
6.	EDN500	SCHOOL COMMUNITY SERVICES			
	OPERATING		EDN	29.00*	29.00*
			EDN	2,992,223 A	2,862,275 A
			EDN	3,631,000 B	3,631,000 B
			EDN	3,266,540 N	3,266,540 N
			EDN	4,000,000 T	4,000,000 T
			EDN	11,995,000 W	11,995,000 W
7.	EDN600	CHARTER SCHOOLS			
	OPERATING		EDN	77,992,862 A	77,970,756 A
			EDN	1,588,850 N	1,588,850 N
	INVESTMENT CAPITAL		EDN	1,535,000 C	C
8.	EDN612	CHARTER SCHOOLS COMMISSION AND ADMINISTRATION			
	OPERATING		EDN	16.12*	16.12*
			EDN	1,400,000 A	1,400,000 A
			EDN	1.88*	1.88*
			EDN	415,700 N	415,700 N
9.	EDN700	EARLY LEARNING			
	OPERATING		EDN	49.00*	49.00*
			EDN	3,076,182 A	2,878,018 A
			EDN	125,628 N	125,628 N
10.	BUF745	RETIREMENT BENEFITS PAYMENTS - DOE			
	OPERATING		BUF	311,975,236 A	327,495,734 A
11.	BUF765	HEALTH PREMIUM PAYMENTS - DOE			
	OPERATING		BUF	245,577,984 A	268,641,012 A
12.	BUF725	DEBT SERVICE PAYMENTS - DOE			
	OPERATING		BUF	288,542,702 A	309,937,982 A
13.	AGS807	SCHOOL R&M, NEIGHBOR ISLAND DISTRICTS			
	OPERATING		AGS	80.00*	80.00*
			AGS	4,938,349 A	5,074,671 A
			AGS	1,500,000 U	1,500,000 U
14.	EDN407	PUBLIC LIBRARIES			
	OPERATING		EDN	549.50*	555.00*
			EDN	32,559,945 A	32,840,328 A
			EDN	3,500,000 B	3,500,000 B
			EDN	1,365,244 N	1,365,244 N
	INVESTMENT CAPITAL		AGS	2,500,000 C	2,500,000 C
15.	DEF114	HAWAII NATIONAL GUARD YOUTH CHALLENGE ACADEMY			
	OPERATING		DEF	1,571,282 A	1,571,282 A
			DEF	5,584,387 P	5,584,387 P
	INVESTMENT CAPITAL		AGS	1,675,000 C	C
16.	UOH100	UNIVERSITY OF HAWAII, MANOA			
	OPERATING		UOH	3,232.24*	3,232.24*
			UOH	194,372,784 A	194,796,866 A
			UOH	416.25*	416.25*
			UOH	361,154,425 B	361,082,295 B
			UOH	78.06*	78.06*
			UOH	6,880,575 N	6,873,565 N
			UOH	30.25*	30.25*
	INVESTMENT CAPITAL		UOH	65,054,713 W	65,039,713 W
			UOH	8,950,000 C	C

PROGRAM APPROPRIATIONS

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				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
17.	UOH110	UNIVERSITY OF HAWAII, JOHN A. BURNS SCHOOL OF MEDICINE		243.10*	243.10*
	OPERATING		UOH	17,933,214 A	17,937,727 A
			UOH	27,758,949 B	27,758,949 B
			UOH	6,603,547 W	6,603,547 W
18.	UOH210	UNIVERSITY OF HAWAII, HILO		523.75*	523.75*
	OPERATING		UOH	31,071,988 A	31,133,744 A
				95.00*	95.00*
			UOH	45,834,600 B	45,842,307 B
			UOH	443,962 N	443,962 N
				8.50*	8.50*
			UOH	7,251,666 W	7,261,666 W
19.	UOH220	SMALL BUSINESS DEVELOPMENT			
	OPERATING		UOH	978,941 A	978,941 A
20.	UOH700	UNIVERSITY OF HAWAII, WEST OAHU		215.00*	215.00*
	OPERATING		UOH	13,190,416 A	13,196,948 A
			UOH	20,272,479 B	20,272,479 B
			UOH	33,544 N	33,544 N
			UOH	2,000,000 W	2,000,000 W
	INVESTMENT CAPITAL		UOH	24,000,000 C	C
21.	UOH800	UNIVERSITY OF HAWAII, COMMUNITY COLLEGES		1,880.00*	1,880.00*
	OPERATING		UOH	119,990,760 A	120,208,842 A
				48.00*	48.00*
			UOH	98,435,547 B	98,465,109 B
				0.50*	0.50*
			UOH	4,428,296 N	4,428,296 N
			UOH	5,044,753 W	5,044,753 W
	INVESTMENT CAPITAL		UOH	15,000,000 C	C
22.	UOH900	UNIVERSITY OF HAWAII, SYSTEMWIDE SUPPORT		449.00*	449.00*
	OPERATING		UOH	49,389,105 A	49,389,105 A
				33.00*	33.00*
			UOH	15,899,318 B	16,017,434 B
				4.00*	4.00*
			UOH	950,311 N	957,327 N
				15.00*	15.00*
			UOH	17,233,795 W	17,238,873 W
	INVESTMENT CAPITAL		UOH	44,434,000 C	C
23.	BUF748	RETIREMENT BENEFITS PAYMENTS - UH			
	OPERATING		BUF	143,117,530 A	146,188,884 A
24.	BUF768	HEALTH PREMIUM PAYMENTS - UH			
	OPERATING		BUF	91,093,213 A	96,912,969 A
25.	BUF728	DEBT SERVICE PAYMENTS - UH			
	OPERATING		BUF	106,789,267 A	114,707,632 A

H. CULTURE AND RECREATION

1.	UOH881	UNIVERSITY OF HAWAII, AQUARIA		13.00*	13.00*
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PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
		OPERATING	UOH	647,475 A 7.00*	651,158 A 7.00*
			UOH	3,117,141 B	3,117,141 B
		INVESTMENT CAPITAL	UOH	996,499 W	996,499 W
			UOH	500,000 C	C
2.		AGS881 - STATE FOUNDATION ON CULTURE AND THE ARTS		0.50*	0.50*
		OPERATING	AGS	1,228,888 A 16.50*	953,888 A 16.50*
			AGS	4,346,261 B 5.00*	4,386,488 B 5.00*
			AGS	735,691 N	747,039 N
			AGS	606,936 P	606,936 P
3.		AGS818 - KING KAMEHAMEHA CELEBRATION COMMISSION			
		OPERATING	AGS	61,550 T	63,866 T
4.		LNR802 - HISTORIC PRESERVATION			
		OPERATING	LNR	23.00* 1,531,138 A 2.00*	23.00* 1,550,986 A 2.00*
			LNR	264,316 B 7.00*	318,030 B 7.00*
			LNR	649,065 N	662,141 N
5.		LNR804 - FOREST AND OUTDOOR RECREATION			
		OPERATING	LNR	29.50* 1,407,726 A 6.50*	29.50* 1,461,155 A 6.50*
			LNR	1,082,471 B 5.00*	1,098,414 B 5.00*
			LNR	3,873,122 N	4,073,122 N
			LNR	588,820 W	593,447 W
6.		LNR805 - DISTRICT RESOURCE MANAGEMENT			
		OPERATING	LNR	16.00* 823,379 A LNR 99,400 B LNR 1,758,000 N	16.00* 835,539 A 99,400 B 1,758,000 N
7.		LNR806 - PARKS ADMINISTRATION AND OPERATION			
		OPERATING	LNR	71.00* 5,023,854 A 44.00* LNR 9,559,763 B LNR 1,218,456 P LNR 10,000,000 C	71.00* 5,113,044 A 44.00* 9,647,878 B 1,218,456 P 2,000,000 C
8.		LNR801 - OCEAN-BASED RECREATION			
		OPERATING	LNR	500,000 A 117.00* LNR 19,070,872 B LNR 800,000 N LNR 7,842,000 C LNR 1,125,000 N	A 117.00* 19,223,178 B 800,000 N 1,500,000 C 1,250,000 N
9.		AGS889 - SPECTATOR EVENTS AND SHOWS - ALOHA STADIUM			
		OPERATING	AGS	38.50* 9,197,434 B	38.50* 9,264,861 B

## PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
<b>I. PUBLIC SAFETY</b>					
1.	PSD402	HALAWA CORRECTIONAL FACILITY		410.00*	410.00*
	OPERATING		PSD	27,307,847 A	28,132,451 A
			PSD	28,719 W	28,719 W
2.	PSD403	KULANI CORRECTIONAL FACILITY		76.00*	76.00*
	OPERATING		PSD	5,330,617 A	5,345,158 A
3.	PSD404	WAIAWA CORRECTIONAL FACILITY		110.00*	110.00*
	OPERATING		PSD	6,703,560 A	6,926,259 A
			PSD	15,000 W	15,000 W
4.	PSD405	HAWAII COMMUNITY CORRECTIONAL CENTER		166.00*	166.00*
	OPERATING		PSD	9,690,910 A	9,998,473 A
5.	PSD406	MAUI COMMUNITY CORRECTIONAL CENTER		186.00*	186.00*
	OPERATING		PSD	10,754,872 A	11,110,130 A
			PSD	209,721 S	209,721 S
6.	PSD407	OAHU COMMUNITY CORRECTIONAL CENTER		498.00*	498.00*
	OPERATING		PSD	33,468,952 A	34,976,569 A
			PSD	30,000 W	30,000 W
7.	PSD408	KAUAI COMMUNITY CORRECTIONAL CENTER		73.00*	73.00*
	OPERATING		PSD	4,407,792 A	4,550,351 A
8.	PSD409	WOMEN'S COMMUNITY CORRECTIONAL CENTER		132.00*	132.00*
	OPERATING		PSD	7,442,693 A	7,719,612 A
9.	PSD410	INTAKE SERVICE CENTERS		61.00*	61.00*
	OPERATING		PSD	3,649,111 A	3,755,468 A
10.	PSD420	CORRECTIONS PROGRAM SERVICES		170.00*	170.00*
	OPERATING		PSD	22,502,602 A	22,934,719 A
			PSD	715,989 N	715,989 N
11.	PSD421	HEALTH CARE		209.10*	209.10*
	OPERATING		PSD	23,880,693 A	24,052,780 A
12.	PSD422	HAWAII CORRECTIONAL INDUSTRIES		150,000 A	A
	OPERATING		PSD	2.00*	2.00*
			PSD	10,135,780 W	10,151,991 W
13.	PSD808	NON-STATE FACILITIES		9.00*	9.00*
	OPERATING		PSD	50,825,826 A	50,420,821 A



PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
14.	PSD502	- NARCOTICS ENFORCEMENT			
	OPERATING		PSD	13.00*	13.00*
				1,034,431 A	1,059,492 A
				8.00*	8.00*
			PSD	921,675 W	934,078 W
			PSD	200,000 P	200,000 P
15.	PSD503	- SHERIFF			
	OPERATING		PSD	310.00*	310.00*
				15,485,888 A	15,485,888 A
			PSD	600,000 N	600,000 N
				59.00*	59.00*
			PSD	5,495,624 U	5,495,624 U
16.	PSD611	- ADULT PAROLE DETERMINATIONS			
	OPERATING		PSD	6.00*	6.00*
				390,792 A	390,792 A
17.	PSD612	- ADULT PAROLE SUPERVISION AND COUNSELING			
	OPERATING		PSD	62.00*	62.00*
				4,200,811 A	4,299,269 A
18.	PSD613	- CRIME VICTIM COMPENSATION COMMISSION			
	OPERATING		PSD	5.00*	5.00*
				450,000 A	450,000 A
				8.00*	8.00*
			PSD	2,080,151 B	2,098,552 B
			PSD	859,315 P	859,315 P
19.	PSD900	- GENERAL ADMINISTRATION			
	OPERATING		PSD	136.00*	136.00*
				15,567,586 A	15,769,998 A
			PSD	870,709 B	871,277 B
			PSD	75,065 T	75,065 T
	INVESTMENT CAPITAL		AGS	8,500,000 C	12,500,000 C
20.	ATG231	- STATE CRIMINAL JUSTICE INFORMATION AND IDENTIFICATION			
	OPERATING		ATG	25.50*	25.50*
				2,008,795 A	2,039,005 A
				1.00*	1.00*
			ATG	42,560 U	42,560 U
				22.50*	22.50*
			ATG	3,338,021 W	3,369,281 W
			ATG	649,661 P	649,661 P
21.	LNR810	- PREVENTION OF NATURAL DISASTERS			
	OPERATING		LNR	7.50*	7.50*
				2,119,450 B	2,139,896 B
				0.50*	0.50*
			LNR	370,602 P	370,602 P
22.	DEF110	- AMELIORATION OF PHYSICAL DISASTERS			
	OPERATING		DEF	118.60*	118.60*
				13,028,547 A	12,791,472 A
				9.50*	9.50*
			DEF	45,459,063 N	45,499,534 N
				94.15*	94.15*
	INVESTMENT CAPITAL		DEF	46,067,200 P	46,511,164 P
			AGS	2,419,000 C	3,400,000 C
			DEF	1,906,000 C	1,600,000 C
			AGS	100,000 N	100,000 N
			DEF	6,281,000 N	31,107,000 N

## PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
<b>J. INDIVIDUAL RIGHTS</b>					
1.	CCA102	CABLE TELEVISION			
	OPERATING		CCA	8.00* 2,534,951 B	8.00* 2,559,971 B
2.	CCA103	CONSUMER ADVOCATE FOR COMMUNICATION, UTILITIES, AND TRANSPORTATION SERVICES			
	OPERATING		CCA	24.00* 4,159,141 B	24.00* 4,241,213 B
3.	CCA104	FINANCIAL SERVICES REGULATION			
	OPERATING		CCA CCA	39.00* 4,090,957 B 220,000 T	39.00* 4,471,852 B 220,000 T
4.	CCA105	PROFESSIONAL AND VOCATIONAL LICENSING			
	OPERATING		CCA CCA	54.00* 6,341,895 B 8.00* 2,138,993 T	54.00* 6,444,103 B 8.00* 2,155,048 T
5.	CCA106	INSURANCE REGULATORY SERVICES			
	OPERATING		CCA CCA CCA	92.00* 16,357,720 B 200,000 T 250,000 P	92.00* 16,644,182 B 200,000 T 250,000 P
6.	CCA107	POST-SECONDARY EDUCATION AUTHORIZATION			
	OPERATING		CCA	2.00* 282,233 B	2.00* 288,611 B
7.	CCA901	PUBLIC UTILITIES COMMISSION			
	OPERATING		CCA	65.00* 17,828,567 B	65.00* 15,310,281 B
8.	CCA110	OFFICE OF CONSUMER PROTECTION			
	OPERATING		CCA CCA	17.00* 2,025,447 B 100,681 T	17.00* 2,079,294 B 100,681 T
9.	AGR812	MEASUREMENT STANDARDS			
	OPERATING		AGR AGR	7.00* 407,204 A 4.00* 451,000 B	7.00* 411,177 A 4.00* 451,000 B
10.	CCA111	BUSINESS REGISTRATION AND SECURITIES REGULATION			
	OPERATING		CCA	71.00* 7,317,621 B	71.00* 7,414,132 B
11.	CCA112	REGULATED INDUSTRIES COMPLAINTS OFFICE			
	OPERATING		CCA	66.00* 6,442,820 B	66.00* 6,631,429 B
12.	CCA191	GENERAL SUPPORT			
	OPERATING		CCA	44.00* 7,902,081 B	44.00* 8,068,306 B

PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
13.	LTG105	- ENFORCEMENT OF INFORMATION PRACTICES			
	OPERATING		LTG	6.00* 562,683 A	6.00* 575,984 A
14.	BUF151	- OFFICE OF THE PUBLIC DEFENDER			
	OPERATING		BUF	83.50* 10,762,354 A	83.50* 11,091,806 A
15.	LNR111	- CONVEYANCES AND RECORDINGS			
	OPERATING		LNR	58.00* 5,763,443 B	58.00* 6,026,606 B
16.	HMS888	- COMMISSION ON THE STATUS OF WOMEN			
	OPERATING		HMS	1.00* 161,833 A	1.00* 164,016 A
<b>K. GOVERNMENT-WIDE SUPPORT</b>					
1.	GOV100	- OFFICE OF THE GOVERNOR			
	OPERATING		GOV	24.00* 3,749,146 A	24.00* 3,296,705 A
	INVESTMENT CAPITAL		GOV	311,348 N	311,348 N
			GOV	1,000 C	1,000 C
2.	LTG100	- OFFICE OF THE LIEUTENANT GOVERNOR			
	OPERATING		LTG	3.00* 1,033,496 A	3.00* 1,050,312 A
3.	BED144	- STATEWIDE PLANNING AND COORDINATION			
	OPERATING		BED	14.00* 1,305,946 A	14.00* 1,372,691 A
			BED	5.00* 2,350,000 N	5.00* 2,350,000 N
			BED	2,000,000 W	2,000,000 W
4.	BED103	- STATEWIDE LAND USE MANAGEMENT			
	OPERATING		BED	6.00* 583,158 A	6.00* 594,586 A
5.	BED130	- ECONOMIC PLANNING AND RESEARCH			
	OPERATING		BED	13.00* 1,127,869 A	13.00* 1,155,539 A
6.	BUF101	- DEPARTMENTAL ADMINISTRATION AND BUDGET DIVISION			
	OPERATING		BUF	41.25* 11,766,302 A	41.25* 11,874,369 A
			BUF	0.75* 42,554 U	0.75* 42,554 U
	INVESTMENT CAPITAL		BUF	38,113,000 C	C
7.	BUF102	- COLLECTIVE BARGAINING STATEWIDE			
	OPERATING		BUF	18,790,387 A	36,045,294 A
			BUF	1,547,739 B	2,854,560 B
			BUF	478,486 N	841,250 N
			BUF	102,919 W	213,261 W
			BUF	5,675 P	12,196 P
8.	AGS871	- CAMPAIGN SPENDING COMMISSION			
	OPERATING		AGS	5.00* 1,149,990 T	5.00* 4,739,084 T

## PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
9.	AGS879	OFFICE OF ELECTIONS			
	OPERATING		AGS	17.50*	17.50*
				3,240,256 A	2,809,752 A
			AGS	0.50*	0.50*
				93,116 N	93,920 N
10.	TAX100	COMPLIANCE			
	OPERATING		TAX	190.00*	190.00*
				10,549,148 A	10,669,406 A
11.	TAX105	TAX SERVICES AND PROCESSING			
	OPERATING		TAX	118.00*	118.00*
				6,572,259 A	6,498,821 A
12.	TAX107	SUPPORTING SERVICES - REVENUE COLLECTION			
	OPERATING		TAX	76.00*	76.00*
			TAX	11,501,516 A	11,653,569 A
			TAX	1,063,104 B	1,069,097 B
	INVESTMENT CAPITAL		AGS	472,000 C	C
13.	AGS101	ACCOUNTING SYSTEM DEVELOPMENT AND MAINTENANCE			
	OPERATING		AGS	6.00*	6.00*
				567,579 A	587,397 A
14.	AGS102	EXPENDITURE EXAMINATION			
	OPERATING		AGS	16.00*	16.00*
				1,161,427 A	1,171,283 A
15.	AGS103	RECORDING AND REPORTING			
	OPERATING		AGS	13.00*	13.00*
				886,922 A	902,018 A
16.	AGS104	INTERNAL POST AUDIT			
	OPERATING		AGS	6.00*	6.00*
				495,087 A	515,672 A
17.	BUF115	FINANCIAL ADMINISTRATION			
	OPERATING		BUF	13.00*	13.00*
				1,977,318 A	1,998,791 A
			BUF	9.00*	9.00*
			BUF	7,148,438 T	7,174,867 T
			BUF	1.00*	1.00*
			BUF	98,328 U	105,073 U
18.	BUF721	DEBT SERVICE PAYMENTS - STATE			
	OPERATING		BUF		
				334,601,504 A	359,412,019 A
19.	ATG100	LEGAL SERVICES			
	OPERATING		ATG	248.31*	248.31*
				22,660,526 A	22,602,863 A
				24.60*	24.60*
			ATG	3,226,526 B	3,282,965 B
				5.20*	5.20*
			ATG	5,428,548 N	5,666,216 N
			ATG	3,940,602 T	3,943,508 T
				100.11*	100.11*
			ATG	11,054,287 U	11,360,273 U
				4.90*	4.90*
			ATG	3,204,007 W	3,218,449 W
				12.66*	12.66*
			ATG	2,228,439 P	2,223,439 P

PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
20.	AGS130	INFORMATION MANAGEMENT AND TECHNOLOGY SERVICES		29.00*	29.00*
	OPERATING		AGS	25,048,715 A	24,564,545 A
			AGS	7.00*	7.00*
			AGS	3,065,000 B	2,885,000 B
			AGS	7,700,000 N	15,200,000 N
			AGS	25,000,000 U	25,000,000 U
			AGS	100,000 W	80,000 W
			AGS	600,000 P	P
21.	AGS131	INFORMATION PROCESSING AND COMMUNICATIONS SERVICES		104.00*	104.00*
	OPERATING		AGS	14,778,865 A	15,017,011 A
			AGS	158,578 B	166,788 B
			AGS	33.00*	33.00*
			AGS	3,312,584 U	3,312,584 U
22.	AGS111	ARCHIVES - RECORDS MANAGEMENT		16.00*	16.00*
	OPERATING		AGS	881,677 A	912,441 A
			AGS	2.00*	2.00*
			AGS	505,920 B	510,920 B
23.	AGS891	WIRELESS ENHANCED 911 BOARD			
	OPERATING		AGS	9,000,000 B	9,000,000 B
24.	HRD102	WORK FORCE ATTRACTION, SELECTION, CLASSIFICATION, AND EFFECTIVENESS		86.00*	86.00*
	OPERATING		HRD	14,540,613 A	14,726,474 A
			HRD	700,000 B	700,000 B
			HRD	1.00*	1.00*
			HRD	5,061,281 U	5,061,281 U
25.	HRD191	SUPPORTING SERVICES - HUMAN RESOURCES DEVELOPMENT		11.00*	11.00*
	OPERATING		HRD	1,532,749 A	1,556,236 A
26.	BUF141	EMPLOYEES RETIREMENT SYSTEM		105.00*	105.00*
	OPERATING		BUF	13,014,314 X	13,468,249 X
27.	BUF143	HAWAII EMPLOYER UNION TRUST FUND		56.00*	56.00*
	OPERATING		BUF	6,902,897 T	7,054,713 T
28.	BUF741	RETIREMENT BENEFITS PAYMENTS - STATE			
	OPERATING		BUF	324,178,407 A	339,924,601 A
			BUF	4,000,000 U	4,000,000 U
29.	BUF761	HEALTH PREMIUM PAYMENTS - STATE			
	OPERATING		BUF	394,070,109 A	494,014,116 A
30.	LNR101	PUBLIC LANDS MANAGEMENT		54.00*	54.00*
	OPERATING		LNR	14,970,156 B	14,056,982 B
	INVESTMENT CAPITAL		LNR	1,000,000 B	1,250,000 B
			LNR	500,000 C	C
			LNR	R	1,750,000 R
			LNR	T	3,000,000 T

## PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
31.	AGS203 - STATE RISK MANAGEMENT AND INSURANCE ADMINISTRATION				
	OPERATING		AGS	9,987,995 A	9,987,995 A
				4.00 *	4.00 *
			AGS	25,325,788 W	25,339,382 W
32.	AGS211 - LAND SURVEY				
	OPERATING		AGS	10.00 *	10.00 *
			AGS	668,328 A	685,056 A
			AGS	285,000 U	285,000 U
33.	AGS223 - OFFICE LEASING				
	OPERATING		AGS	4.00 *	4.00 *
			AGS	10,343,694 A	10,354,970 A
			AGS	5,500,000 U	5,500,000 U
34.	AGS221 - PUBLIC WORKS - PLANNING, DESIGN, AND CONSTRUCTION				
	OPERATING		AGS	16.00 *	16.00 *
			AGS	1,342,383 A	1,383,417 A
			AGS	4,000,000 W	4,000,000 W
	INVESTMENT CAPITAL		AGS	1,500,000 C	C
			AGS	29,233,000 C	20,710,000 C
35.	AGS231 - CENTRAL SERVICES - CUSTODIAL SERVICES				
	OPERATING		AGS	119.00 *	119.00 *
			AGS	18,547,029 A	18,727,964 A
			AGS	58,744 B	58,744 B
			AGS	1,699,084 U	1,699,084 U
36.	AGS232 - CENTRAL SERVICES - GROUNDS MAINTENANCE				
	OPERATING		AGS	27.00 *	27.00 *
				1,756,965 A	1,795,233 A
37.	AGS233 - CENTRAL SERVICES - BUILDING REPAIRS AND ALTERATIONS				
	OPERATING		AGS	33.00 *	33.00 *
			AGS	3,071,008 A	3,133,712 A
			AGS	100,000 U	100,000 U
38.	AGS240 - STATE PROCUREMENT				
	OPERATING		AGS	22.00 *	22.00 *
				1,264,525 A	1,294,061 A
39.	AGS244 - SURPLUS PROPERTY MANAGEMENT				
	OPERATING		AGS	5.00 *	5.00 *
				1,826,464 W	1,836,624 W
40.	AGS251 - AUTOMOTIVE MANAGEMENT - MOTOR POOL				
	OPERATING		AGS	13.00 *	13.00 *
				3,445,263 W	3,464,205 W
41.	AGS252 - AUTOMOTIVE MANAGEMENT - PARKING CONTROL				
	OPERATING		AGS	27.00 *	27.00 *
				3,671,012 W	3,675,957 W
42.	AGS901 - GENERAL ADMINISTRATIVE SERVICES				
	OPERATING		AGS	34.00 *	34.00 *
				2,961,482 A	3,021,644 A
				2.00 *	2.00 *
			AGS	167,039 U	177,895 U
43.	SUB201 - CITY AND COUNTY OF HONOLULU				
	INVESTMENT CAPITAL		CCH	2,000,000 C	C
			CCH	2,000,000 S	S

## PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
44.	SUB301 - COUNTY OF HAWAII	INVESTMENT CAPITAL	COH	550,000 C	C
45.	SUB401 - COUNTY OF MAUI	INVESTMENT CAPITAL	COM	C	2,000,000 C
46.	SUB501 - COUNTY OF KAUAI	INVESTMENT CAPITAL	COK	11,500,000 C	C

## PART III. PROGRAM APPROPRIATION PROVISIONS

ECONOMIC DEVELOPMENT

SECTION 4. Provided that of the general fund appropriation for the creative industries division (BED105), \$50,000 for fiscal year 2015-2016 shall be expended for expansion of the creative lab program to the neighbor islands; provided further that the director of business, economic development, and tourism shall submit a report to the legislature with a recommendation on whether the appropriation for the creative lab program should be increased for fiscal year 2016-2017 up to the federal match amount and justification for the recommendation; and provided further that the report shall be submitted no later than twenty days prior to the convening of the regular session of 2016.

SECTION 5. Provided that the sum of \$2,832,996, or so much thereof as may be necessary for fiscal year 2015-2016, and the same sum or so much thereof as may be necessary for fiscal year 2016-2017, appropriated out of the general fund revenues of the State of Hawaii from SB1299,<sup>1</sup> A bill for an act relating to disposition of tax revenues to fund positions and other operating expenditures in LNR172, forestry – resource management and development, may be transferred into this Act with the approval of the Governor; provided further that the transferred funds are to be expended out of LNR172, forestry – resource management and development, for positions and other operating expenditures.

SECTION 6. Provided that of the general fund appropriation for general administration for agriculture (AGR192), the sum of \$150,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 shall be expended for the purpose of accrued vacation payments for all employees leaving the employ of the department of agriculture; provided further that the department shall first make payments from the vacation payout allocation before expending funds from turnover and vacancy amounts; provided further that the respective non-general fund shall reimburse the general fund for any payments made for accrued vacation payments; and provided further that any unexpended funds shall lapse to the general fund at the end of the fiscal year for which the appropriation was made.

SECTION 7. Provided that of the general fund appropriation for agribusiness development and research (AGR161), the sum of \$50,601 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 shall be deposited

into the Hawaii agricultural development revolving fund to be expended for the purposes of the fund.

### EMPLOYMENT

SECTION 8. Provided that of the general fund appropriation for the disability compensation program (LBR183) \$905,000 or so much thereof as may be necessary for fiscal year 2015-2016 shall be expended for business process optimization analysis and case management system modernization; provided further that the department of labor and industrial relations shall consult with the chief information officer in the expenditure of the appropriation and implementation of the business process optimization analysis and case management system modernization.

SECTION 9. Provided that of the general fund appropriation for general administration (LBR902), the sum of \$250,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 shall be expended for the purpose of accrued vacation payments for all employees leaving the employ of the department of labor and industrial relations; provided further that the department shall first make payments from the vacation payout allocation before expending funds from turnover and vacancy amounts; provided further that the respective non-general fund shall reimburse the general fund for any payments made for accrued vacation payments; and provided further that any unexpended funds shall lapse to the general fund at the end of the fiscal year for which the appropriation was made.

### TRANSPORTATION

SECTION 10. Provided that of the highway fund appropriation for highways administration (TRN595), \$1,500,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 shall be expended for albizia eradication and control along public highways; provided further that no funds shall be expended unless matched by at least an equal expenditure of non-state funds; and provided further that the director of transportation shall submit a report to the legislature no later than twenty days prior to the convening of the regular sessions of 2017 and 2018 on the expenditure of the appropriation of this section and the matching non-state funds.

SECTION 11. Provided that of the special fund appropriation for highways administration (TRN595):

- (1) \$500,000 for both fiscal years shall be granted to the city and county of Honolulu department of transportation services to operate a van pool program on Oahu;
- (2) The city and county of Honolulu department of transportation services shall submit to the state department of transportation and legislature a plan for the use of the grant before any expenditure or obligation is made by the state department of transportation for the van pool program. The plan shall be submitted at least thirty days prior to the city and county of Honolulu department of transportation services' expenditure or obligation of any portion of the grant; and
- (3) The city and county of Honolulu department of transportation services shall submit two reports to the state department of trans-



portation and legislature on the use of the grant with statistics on expenditures, usage, benefits, and costs. The first report shall cover fiscal year 2015-2016 and shall be submitted no later than twenty days prior to the convening of the regular session of 2017. The second report shall cover fiscal year 2016-2017 and shall be submitted no later than twenty days prior to the convening of the regular session of 2018.

#### ENVIRONMENTAL PROTECTION

SECTION 12. Provided that the sum of \$4,905,749, or so much thereof as may be necessary for fiscal year 2015-2016, and the sum of \$4,905,749, or so much thereof as may be necessary for fiscal year 2016-2017, appropriated out of the general fund revenues of the State of Hawaii from SB1299,<sup>1</sup> A bill for an act relating to disposition of tax revenues to fund positions and other operating expenditures in LNR402, native resources and fire protection program, may be transferred into this Act with the approval of the Governor; provided further that the transferred funds are to be expended out of LNR402, native resources and fire protection program, for positions and other operating expenditures.

SECTION 13. Provided that the sum of \$7,556,128, or so much thereof as may be necessary for fiscal year 2015-2016, and the sum of \$7,556,128, or so much thereof as may be necessary for fiscal year 2016-2017, appropriated out of the general fund revenues of the State of Hawaii from SB1299,<sup>1</sup> A bill for an act relating to disposition of tax revenues to fund positions and other operating expenditures in LNR407, natural area reserves and watershed management, may be transferred into this Act with the approval of the Governor; provided further that the transferred funds are to be expended out of LNR407, natural area reserves and watershed management, for positions and other operating expenditures.

SECTION 14. Provided that the sum of \$101,715, or so much thereof as may be necessary for fiscal year 2015-2016, and the sum of \$101,715, or so much thereof as may be necessary for fiscal year 2016-2017, appropriated out of the general fund revenues of the State of Hawaii from SB1299,<sup>1</sup> A bill for an act relating to disposition of tax revenues to fund positions and other operating expenditures in LNR906, LNR – natural and physical environment, may be transferred into this Act with the approval of the Governor; provided further that the transferred funds are to be expended out of LNR906, LNR – natural and physical environment, for positions and other operating expenditures.

SECTION 15. Provided that of the general fund appropriation for LNR - natural and physical environment (LNR906), the sum of \$150,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 shall be expended for the purpose of accrued vacation payments for all employees leaving the employ of the department of land and natural resources; provided further that the department shall first make payments from the vacation payout allocation before expending funds from turnover and vacancy amounts; provided further that the respective non-general fund shall reimburse the general fund for any payments made for accrued vacation payments; and provided further that any unexpended funds shall lapse to the general fund at the end of the fiscal year for which the appropriation was made.

HEALTH

SECTION 16. Provided that the sum of \$6,424,410, or so much thereof as may be necessary for fiscal year 2015-2016, and the sum of \$6,507,305, or so much thereof as may be necessary for fiscal year 2016-2017, appropriated out of the general fund revenues of the State of Hawaii from SB101,<sup>2</sup> A bill for an act relating to the budget to fund positions and other operating expenditures in HTH590, chronic disease prevention and health promotion, may be transferred into this Act with the approval of the Governor; provided further that the transferred funds are to be expended out of HTH590, chronic disease prevention and health promotion, for positions and other operating expenditures.

SECTION 17. Provided that:

- (1) Of the appropriation for environmental health services (HTH610), the following shall be authorized and appropriated for increased surveillance at state ports:
  - (A) Two positions entirely funded with general funds and two positions entirely funded with interdepartmental transfer funds for each fiscal year;
  - (B) \$40,812 in general funds and \$62,034 in interdepartmental transfer funds for fiscal year 2015-2016; and
  - (C) \$84,912 in general funds and \$129,066 in interdepartmental transfer funds for fiscal year 2016-2017;
- (2) The departments of health and transportation shall enter into a memorandum of agreement for increased surveillance at state ports specifying:
  - (A) The duties to be conducted by the personnel occupying the department of health's positions under paragraph (1)(A) for the department of transportation;
  - (B) The payment by the department of transportation from its pertinent special fund to the department of health for the services of those personnel; and
  - (C) Any other terms and conditions mutually agreeable to the departments; and
- (3) The department of health shall submit a report to the legislature no later than twenty days prior to the convening of the regular session of 2016 on the status of the memorandum of agreement.

SECTION 18. Provided that of the general fund appropriation for health care assurance (HTH720) \$150,000 or so much thereof as may be necessary for fiscal year 2015-2016 shall be expended only for temporary surveyors to reduce the statewide backlog of end stage renal facility inspections required for certification by the Center for Medicare and Medicaid Services; provided further that the difference between \$150,000 and the amount of general funds expended or encumbered for the temporary surveyors and inspections shall lapse on June 30, 2016; and provided further that the department of health shall submit a report to the legislature no later than twenty days prior to the convening of the regular session of 2016 on the expenditures authorized under this section and program measures resulting from the expenditures.

SOCIAL SERVICES

SECTION 19. Provided that of the funds allocated to the Hawaii public housing authority (HMS220), the sum of \$10,000 or so much thereof as may

be necessary for fiscal year 2015-2016 shall be used for sidewalk safety improvements and repairs at Hale Hauoli Public Housing.

SECTION 20. Provided that of the general fund appropriation for fiscal year 2015-2016 for homeless services (HMS224):

- (1) Not more than \$840,154 shall be expended for utilities for Kalaeloa shelters; and
- (2) If a portion of the amount under paragraph (1) is not expended or encumbered for fiscal year 2015-2016, the unexpended and unencumbered portion shall not be expended or encumbered for any other purpose and shall lapse to the general fund on June 30, 2016.

SECTION 21. Provided that of the general fund appropriation for planning and development for Hawaiian homesteads (HHL602), the sum of \$9,632,000 for fiscal year 2015-2016 and the same sum for fiscal year 2016-2017 shall be deposited into the Hawaiian home administration account to be expended only for administrative and operating expenses of the department of Hawaiian home lands. This sum is provided in light of the ruling in the opinion of the Hawaii supreme court in *Nelson v. Hawaiian Homes Commission*, 127 Haw. 185, 198-203, 279, 292-297 (2012), that what constitutes "sufficient sums" for "administration and operating" expenses, as those terms are used in article XII, section 1 of the Hawaii State Constitution, is judicially determinable. This provision shall not be construed to establish any amount that the State may be legally required to appropriate in the Nelson litigation or any similar case, or the State's position with regard thereto. In making this appropriation, the legislature does not intend to bind or limit the positions the attorney general or any of the defendants may assert in the Nelson litigation or any similar case.

#### FORMAL EDUCATION

SECTION 22. Provided that the board of education shall consider a program to equitably distribute directly to schools the portion of the department of education's utility budget intended for electricity payment. The program shall empower school principals by increasing school level discretion over a greater portion of the education budget and incentivize the efficient use of electricity; provided further that under the program:

- (A) The committee on weights shall recommend to the board of education a formula to allocate funds for the payment of electricity costs to each public school. The committee shall consider the use of the facilities of the public school for authorized after-school athletic or community activities. The committee shall also recommend a method to adjust future appropriations for electricity to allow schools to benefit from increasing the efficient use of utilities in perpetuity; and
- (B) The principal of each public school shall use the allocation for the payment of electricity costs or other school expenses; and provided further that the board of education shall submit a report on the program to the legislature no later than twenty days prior to the convening of the regular session of 2016.

SECTION 23. Provided that the department of education shall pursue all avenues of Medicaid reimbursement to at least include:

- (1) Reimbursement for qualifying transportation services;
- (2) Reimbursement for qualifying skilled nursing services;

provided further that the department of education shall develop a plan to maximize Medicaid enrollment for qualifying individuals; and provided further that the department shall submit a report detailing its progress in pursuing Medicaid reimbursement and Medicaid enrollment to the legislature no later than twenty days prior to the convening of the regular session of 2016.

SECTION 24. Provided that of the general fund appropriation for instructional support (EDN200), the sum of \$592,000 or so much thereof as may be necessary for fiscal biennium 2015-2017 shall be expended for the purpose of sabbatical leave for teachers; and provided further that any funds not expended for this purpose shall lapse to the general fund at the end of the fiscal year for which the appropriation was made.

SECTION 25. Provided that of the general fund appropriation for each fiscal year for school-based budgeting (EDN100):

- (1) \$3,600,000 for each fiscal year shall be expended for the payment of recruitment and retention incentives to teachers in hard-to-fill teaching positions;
- (2) With respect to teachers in hard-to-fill teaching positions in charter schools:
  - (A) Their incentives shall be paid from the appropriation specified in paragraph (1), notwithstanding the fact that the appropriation is made under state administration (EDN100) instead of charter schools (EDN600); and
  - (B) The superintendent of education and the executive director of the state public charter school commission shall develop procedures for the direct payment of incentives to teachers in hard-to-fill teaching positions in the charter schools; and
- (3) The superintendent of education shall submit a report to the legislature no later than twenty days prior to the convening of the regular session of 2016 on the actions taken pursuant to this section.

SECTION 26. Provided that the school support program (EDN400) shall prepare a report on the contract performance management program for student transportation, including a summary of the metrics employed, student transportation contractor compliance results, and any remedial actions or consequences resulting from findings of non-compliance; provided further that the department shall submit the report to the legislature no later than twenty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 27. Provided that of the general appropriation to the University of Hawaii, Manoa (UOH100), the sum of \$75,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 shall be expended for a Turkish language professor.

SECTION 28. Provided that of the general fund appropriation for University of Hawaii, systemwide support (UOH900):

- (1) \$6,360,818 for fiscal year 2015-2016 shall be expended at the discretion of the board of regents of the University of Hawaii or president of the University of Hawaii, if such discretionary authority is delegated by the board to the president;
- (2) \$6,360,818 for fiscal year 2016-2017 may be transferred to other University of Hawaii program IDs in accordance with performance-

based outcomes relating to student achievement and degree attainment and articulation as established by the president of the University of Hawaii;

- (3) The amount transferred to a University of Hawaii program ID shall be expended at the discretion of the head of the University of Hawaii college, campus, or school of that program ID;
- (4) The president of the University of Hawaii shall devise the metrics and standards for the performance-based outcomes;
- (5) Any amount not transferred to a program ID pursuant to paragraph (2) shall lapse on June 30, 2017;
- (6) The president of the University of Hawaii shall submit a report to the legislature no later than twenty days prior to the regular session of 2017 that identifies the expenditures of the appropriation under paragraph (1) for fiscal year 2015-2016; and
- (7) The president of the University of Hawaii shall submit a report to the legislature no later than twenty days prior to the regular session of 2018 on distribution of funds by campus, a discussion of changes implemented and being recommended to better operationalize and maintain rigor, and a recommendation on whether this means of funding should continue and the program should be made permanent.

#### PUBLIC SAFETY

SECTION 29. Provided that of the general fund appropriation for amelioration of physical disasters (DEF110), the sum of \$500,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 shall be expended for relief from major disasters pursuant to section 127A-16, Hawaii Revised Statutes; provided further that any funds not expended for this purpose shall lapse to the general fund.

SECTION 30. Provided that the \$1,000,000 general fund appropriation in Act 122, Session Laws of Hawaii 2014 for amelioration of physical disasters (DEF110) shall be expended for the purpose of mitigating hazardous situations statewide in accordance with section 127A-18, Hawaii Revised Statutes; provided further that any funds not expended for this purpose shall not lapse to the general fund at the end of the fiscal year appropriated but shall be carried forward into subsequent years; and provided further that any unexpended funds shall lapse to the general fund on June 30, 2017.

#### GOVERNMENT-WIDE SUPPORT

SECTION 31. Provided that of the appropriation for the office of the governor (GOV100), the sum of \$116,652 or so much thereof as may be necessary in general funds for fiscal year 2015-2016 and the sum of \$59,321 or so much thereof as may be necessary in general funds for fiscal year 2016-2017 shall be used for the healthcare transformation program; provided further that the funds may be used for up to 4.00 temporary exempt positions to provide staff support for the program; provided further that no funds from other programs shall be transferred into GOV100 and expended for the healthcare transformation program or its staff; and provided further that any funds not expended for this purpose shall lapse to the general fund.

SECTION 32. Provided that of the general fund appropriation for the office of the governor (GOV100) for fiscal year 2015-2016, 2.00 temporary positions shall be authorized and \$300,000 shall be expended for the office of military affairs and federal grant maximization; provided further that the governor shall submit a report to the legislature by February 1, 2016; that:

- (1) Itemizes the actual expenditures for the office from July 1, 2015 to December 31, 2015, and the planned expenditures for the office from January 1, 2016, to June 30, 2016; and
- (2) Includes a recommendation on whether the office should continue to be funded beyond June 30, 2016; and provided further that if the recommendation is to continue funding for the office beyond June 30, 2016, the report shall include a justification for the continuation of funding and the appropriation requested in the supplemental budget or other bill.

SECTION 33. Provided that of the general fund appropriation for departmental administration and budget division (BUF101), the sum of \$400,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 shall be used for up to 10.00 temporary exempt positions to provide backfill staff support for departments where permanent staffing has been assigned to work on the implementation of the enterprise resource planning project; provided further that the positions and funds may be transferred to the departments requiring temporary staff support with the approval of the governor; provided further that the department shall prepare a report that lists the titles and duties of each of the 10.00 temporary positions, location of their deployment, budgeted salaries, and the role for each position in the overall office of information management and technology project plan; and provided further that the department of budget and finance shall submit this report to the legislature no later than twenty days prior to the convening of the 2016 and 2017 regular sessions.

SECTION 34. Provided that of the funds appropriated from the sources of funding indicated below to collective bargaining statewide (BUF102), the following sums, or so much thereof as may be necessary, shall be used to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit seven (7) for fiscal biennium 2015-2017:

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 15,403,359	\$ 29,396,397
Special Funds	\$ 1,244,110	\$ 2,233,303
Federal Funds	\$ 473,722	\$ 831,531
Other Federal Funds	\$ 3,944	\$ 8,664
Revolving Funds	\$ 87,794	\$ 181,721;

provided further that the funds shall not be expended for any other purpose; and provided further that any unexpended funds shall lapse into the general fund.

SECTION 35. Provided that of the funds appropriated from the sources of funding indicated below to collective bargaining statewide (BUF102), the following sums, or so much thereof as may be necessary, shall be used to fund the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees excluded from collective bargaining unit seven (7) for fiscal biennium 2015-2017:

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	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 1,836,174	\$ 3,804,477
Special Funds	\$ 303,629	\$ 621,257
Federal Funds	\$ 4,764	\$ 9,719
Other Federal Funds	\$ 1,731	\$ 3,532
Revolving Funds	\$ 15,125	\$ 31,540;

provided further that the funds shall not be expended for any other purpose; and provided further that any unexpended funds shall lapse into the general fund.

SECTION 36. Provided that of the general funds appropriated to collective bargaining statewide (BUF102), the following sums, or so much thereof as may be necessary, shall be used to fund the Hawaii employer-union health benefits trust fund costs in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit seven (7) for fiscal biennium 2015-2017:

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 1,485,775	\$ 2,725,483;

provided further that the funds shall not be expended for any other purpose; and provided further that any unexpended funds shall lapse into the general fund.

SECTION 37. Provided that of the general funds appropriated to collective bargaining statewide (BUF102), the following sums, or so much thereof as may be necessary, shall be used to fund the Hawaii employer-union health benefits trust fund costs for state officers and employees excluded from collective bargaining who belong to the same compensation plans as those officers and employees within collective bargaining unit seven (7) for fiscal biennium 2015-2017:

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$ 65,079	\$ 118,937;

provided further that the funds shall not be expended for any other purpose; and provided further that any unexpended funds shall lapse into the general fund.

SECTION 38. Provided that of the funds appropriated for each fiscal year for collective bargaining statewide (BUF102), the director of finance may allot funds to the appropriate state departments for expenditures due to the implementation of wage and benefit increases for fiscal biennium 2015-2017.

SECTION 39. Provided that of the general fund appropriations for debt service payments (BUF721-BUF728), the following sums specified in fiscal biennium 2015-2017 shall be expended for principal and interest payments on general obligation bonds only as follows:

<u>Program I.D.</u>	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
BUF721	\$334,601,504	\$359,412,019
BUF725	\$288,542,702	\$309,937,982
BUF728	\$106,789,267	\$114,707,632;

provided further that unrequired balances may be transferred only to retirement benefits payments (BUF741-BUF748) and health premium payments (BUF761-BUF768); provided further that the funds shall not be expended for any other purpose; and provided further that any unexpended funds shall lapse into the general fund at the end of the respective fiscal year for which the appropriation was made.

SECTION 40. Provided that of the general fund appropriation for legal services (ATG100), the sum of \$280,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 shall be expended for the purpose of accrued vacation payments for all employees leaving the employ of the department of the attorney general; provided further that the department shall first make payments from the vacation payout allocation before expending funds from turnover and vacancy amounts; provided further that the respective non-general fund shall reimburse the general fund for any payments made for accrued vacation payments; and provided further that any unexpended funds shall lapse to the general fund at the end of the fiscal year for which the appropriation was made.

SECTION 41. Provided that, of the appropriation for information management and technology (AGS130):

- (1) The following amounts may be expended by the chief information officer for any of the projects listed under paragraph (2) and for no other purpose:
  - (A) \$6,100,000 in general funds, \$1,800,000 in special funds, \$7,700,000 in federal funds, \$600,000 in other federal funds, and \$100,000 in revolving funds in fiscal year 2015-2016; and
  - (B) \$5,500,000 in general funds, \$1,600,000 in special funds, \$15,200,000 in federal funds, and \$80,000 in revolving funds in fiscal year 2016-2017;
- (2) The projects, the amounts under paragraph (1) for which may be expended, are the following:
  - (A) Information technology system upgrades and repair and maintenance for rabies quarantine (AGR131);
  - (B) Datamart upgrades for information processing and communication services (AGS131);
  - (C) Statewide voter registration system for the office of elections (AGS879);
  - (D) Child support enforcement (keiki) system modernization feasibility study for child support enforcement services (ATG500);
  - (E) Computer hardware and software compliance upgrade for the Hawaii housing finance and development corporation (BED160);
  - (F) ALIAS project completion for professional and vocational licensing (CCA105);
  - (G) Complaints management system replacement for regulated industries complaints office (CCA112);
  - (H) Student information system for state administration (EDN300);
  - (I) Security management and compliance plan administration and monitoring for general support for health care payments (HMS902);
  - (J) Kauhale on-line eligibility assistance (KOLEA) system maintenance and operation for general support for health care payments (HMS902); and
  - (K) Information technology system conversion for general administration (TRN995);
- (3) Before expending any amount for a project listed under paragraph (2), the chief information officer shall consult with the governor and all administrative heads of the departments or agencies with jurisdiction over the listed projects;



- (4) The chief information officer, with the approval of the governor, shall identify the non-general funds to be expended on the projects, and:
  - (A) The governor shall direct the administrative heads of the departments or agencies with jurisdiction over the projects to expend the identified non-general funds as required by the chief information officer; or
  - (B) Alternatively, the chief information officer, with the approval of the governor, may delegate to the administrative head of a department or agency the authority to expend the identified non-general funds for a project in accordance with the chief information officer's direction.

For the purpose of this paragraph, the chief information officer shall comply with any matching requirement for the expenditure of federal funds or other federal funds;

- (5) When directing or authorizing the expenditure for the listed projects, the chief information officer, to the fullest extent possible, shall strive for a commonality and efficiency of information technology systems;
- (6) The governor, after consultation with the chief information officer, may establish not more than 5.00 temporary positions exempt from the civil service and assign them to assist departments or agencies with projects funded under this section;
- (7) If any part of the amount specified under paragraph (1) becomes unnecessary because of completion, delay, or abandonment of a project or other reason, the chief information officer shall notify the legislature in the report required under paragraph (9);
- (8) The difference between the amount specified under paragraph (1)(A) or (B) for a fiscal year and the amount expended or encumbered for the projects listed under paragraph (2) for that fiscal year shall lapse on June 30 of that fiscal year and shall not be expended by the chief information officer for any other purpose; and
- (9) The chief information officer shall submit a report to the legislature not later than twenty days prior to the convening of the regular session of 2016 on the expenditures made under this section and a discussion of the operational and financial feasibility of sustaining such a process as a means of increasing oversight and transparency and better managing of the state's information systems.

SECTION 42. Provided that the office of information management and technology (AGS130), pursuant to section 26-6 and section 27-43.5, Hawaii Revised Statutes, shall:

- (1) Develop and implement service level agreements with all executive agencies with regard to guaranteed levels of service, available resources, and information security services; and provided further that the office of information management and technology shall report to the legislature no later than August 1, annually, the health status of each department's information technology environment as it relates to functionality, risk, and maturity;
- (2) Coordinate all information technology related procurement which have an impact on the statewide enterprise security architecture;
- (3) Ensure that purchases procured by executive departments and agencies shall comply with the office of information management and

- technology systems for software updates, patch management, and security parameters;
- (4) Conduct periodic information security and penetration audits of the executive branch information technology systems; and
  - (5) Submit quarterly to the legislature on July 1, October 1, January 1, and April 1 a report on its findings.

SECTION 43. Provided that of the general fund appropriations for retirement benefits payments (BUF741-BUF748), the following sums specified in fiscal biennium 2015-2017 shall be expended for the state employer's share of the employee's retirement pension accumulation and the social security/Medicare payment for employees only as follows:

<u>Program I.D.</u>	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
BUF741	\$ 324,178,407	\$ 339,924,601
BUF745	\$ 311,975,236	\$ 327,495,734
BUF748	\$ 143,117,530	\$ 146,188,884;

provided further that unrequired balances may be transferred only to debt service payments (BUF721-BUF728) and health premium payments (BUF761-BUF768); provided further that the funds shall not be expended for any other purpose; and provided further that any unexpended funds shall lapse to the general fund at the end of the respective fiscal year for which the appropriation was made.

SECTION 44. Provided that of the general fund appropriation for health premium payments - state (BUF761), the sum of \$163,615,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the sum of \$245,812,000 or so much thereof as may be necessary for fiscal year 2016-2017 shall be used to provide payments to pre-fund other post-employment benefits for the Hawaii employer-union health benefits trust fund; provided further that the funds shall not be expended for any other purpose; and provided further that any unexpended funds shall lapse to the general fund.

SECTION 45. Provided that of the general fund appropriations for health premium payments (BUF761-BUF768), the following sums specified in fiscal biennium 2015-2017 shall be expended for the state employer's share of health premiums for active employees and retirees only as follows:

<u>Program I.D.</u>	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
BUF761	\$ 230,455,109	\$ 248,202,116
BUF765	\$ 245,577,984	\$ 268,641,012
BUF768	\$ 91,093,213	\$ 96,912,969;

provided further that unrequired balances may be transferred only to debt service payments (BUF721-BUF728) and retirement benefits payments (BUF741-BUF748); provided further that the funds shall not be expended for any other purpose; and provided further that any unexpended funds shall lapse into the general fund at the end of the respective fiscal year for which the appropriation was made.

SECTION 46. Act 134, Session Laws of Hawaii 2013, as amended by Act 122, Session Laws of Hawaii 2014, is amended by amending section 3, Item G-13 to read as follows:

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“ 13. EDN407 - PUBLIC LIBRARIES

		547.50*	547.50*
OPERATING	EDN	29,260,611 A	30,044,639 A
	EDN	3,125,000 B	3,125,000 B
	EDN	1,365,244 P	1,365,244 P
INVESTMENT CAPITAL	AGS	18,750,000 C	3,300,000 C
	[EDN]AGS		325,000 C”

**PART IV. CAPITAL IMPROVEMENT PROJECTS**

**SECTION 47. CAPITAL IMPROVEMENT PROJECTS AUTHORIZED.** The sums of money appropriated or authorized in part II of this Act for capital improvements shall be expended for the projects listed below. Accounting of the appropriations by the department of accounting and general services shall be based on the projects as such projects are listed in this section. Several related or similar projects may be combined into a single project if such combination is advantageous or convenient for implementation; and provided further that the total cost of the projects thus combined shall not exceed the total of the sum specified for the projects separately. (The amount after each cost element and the total funding for each project listed in this part are in thousands of dollars).

**CAPITAL IMPROVEMENT PROJECTS**

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F

**A. ECONOMIC DEVELOPMENT**

**BED105 - CREATIVE INDUSTRIES DIVISION**

1. **KAUAI ECONOMIC DEVELOPMENT BOARD, KAUAI**  
 PLANS AND CONSTRUCTION OF THE NEW KAUAI CREATIVE TECHNOLOGY CENTER, A FILM INDUSTRY JOB TRAINING AND WORKFORCE DEVELOPMENT HUB WITH FACILITIES AND PROGRAMS FOR FILMING, EDITING, PERFORMANCES, CO WORKING AND MORE. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.  

PLANS	250	
CONSTRUCTION	250	
TOTAL FUNDING BED	500 C	

**BED107 - FOREIGN TRADE ZONE**

2. **FTZ018 FACILITY IMPROVEMENT AND ADA RETROFIT, FTZ, OAHU**  
 PLANS, DESIGN AND CONSTRUCTION FOR FACILITY IMPROVEMENTS AND RETROFIT OF RESTROOMS, WALKWAYS AND OFFICE AREAS TO MEET ADA REQUIREMENTS.  

PLANS	25	
DESIGN	120	
CONSTRUCTION	1,175	
TOTAL FUNDING BED	1,320 C	

## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
3.	FTZ017	FTZ ELEVATOR REPLACEMENT, OAHU			
		CONSTRUCTION AND EQUIPMENT FOR EXISTING ELEVATOR REPLACEMENT TO MEET STATE (GOVERNMENT) BUILDING ADA ACCESSIBILITY AND COMPLIANCE WITH RELATED STANDARDS AND REGULATIONS.			
		CONSTRUCTION		510	
		EQUIPMENT		340	
		TOTAL FUNDING	BED	850	C
<b>LNR172 - FORESTRY - RESOURCE MANAGEMENT AND DEVELOPMENT</b>					
4.	D02C	PUU WAAWAA STRUCTURE IMPROVEMENTS AND DAM COMPLIANCE, HAWAII			
		PLANS, DESIGN AND CONSTRUCTION FOR PUU WAAWAA STRUCTURE IMPROVEMENTS AND DAM COMPLIANCE.			
		PLANS			1
		DESIGN			1
		CONSTRUCTION			998
		TOTAL FUNDING	LNR		1,000
					C
<b>AGRI41 - AGRICULTURAL RESOURCE MANAGEMENT</b>					
5.	200402	MOLOKAI IRRIGATION SYSTEM IMPROVEMENTS, MOLOKAI			
		DESIGN AND CONSTRUCTION FOR IMPROVEMENTS TO THE MOLOKAI IRRIGATION SYSTEM.			
		DESIGN		1	
		CONSTRUCTION		1,199	
		TOTAL FUNDING	AGR	1,200	C
6.		KOHALA DITCH IRRIGATION SYSTEM IMPROVEMENTS, HAWAII			
		PLANS FOR IMPROVEMENTS TO THE KOHALA DITCH IRRIGATION SYSTEM AND APPURTENANT WORKS.			
		PLANS		1,500	
		TOTAL FUNDING	AGR	1,500	C
7.		KAMUELA VACUUM COOLING PLANT, HAWAII			
		PLANS, DESIGN AND CONSTRUCTION FOR INFRASTRUCTURE AND BUILDING OF A POST-HARVEST FACILITY AND VACUUM COOLING PLANT.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		998	
		TOTAL FUNDING	AGR	1,000	C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F

AGR161 - AGRIBUSINESS DEVELOPMENT AND RESEARCH

8.		AGRICULTURAL LAND, OAHU				
		PLANS, LAND ACQUISITION AND DESIGN FOR LAND ACQUISITION ON OAHU: TMK 7-1-02-32; 7-1-02-06; 7-1-02-34; 9-5-03-07; 6-5-02-11.				
		PLANS			1	
		LAND			9,998	
		DESIGN			1	
		TOTAL FUNDING	AGR		10,000 C	

AGR192 - GENERAL ADMINISTRATION FOR AGRICULTURE

9.	981921	MISCELLANEOUS HEALTH, SAFETY, CODE AND OTHER REQUIREMENTS, STATEWIDE				
		DESIGN AND CONSTRUCTION FOR IMPROVEMENTS TO ADDRESS HEALTH, SAFETY, CODE AND OTHER REQUIREMENTS, STATEWIDE.				
		DESIGN			100	100
		CONSTRUCTION			1,300	400
		TOTAL FUNDING	AGS		1,400 C	500 C

LNR153 - FISHERIES MANAGEMENT

10.		PACIFIC AMERICAN FOUNDATION HAWAII, INC., OAHU				
		PLANS, DESIGN AND CONSTRUCTION FOR A NEW FACILITY FOR EDUCATION, RESEARCH AND EMPLOYMENT PROGRAMS IN KANEOHE, OAHU. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		PLANS			300	
		DESIGN			300	
		CONSTRUCTION			900	
		TOTAL FUNDING	LNR		1,500 C	

BED146 - NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

11.	NELHA4	IMPROVEMENTS TO THE RESEARCH CAMPUS, HAWAII				
		CONSTRUCTION FOR IMPROVEMENTS TO THE 6 ACRE RESEARCH CAMPUS IN THE HAWAII OCEAN SCIENCE AND TECHNOLOGY PARK (HOST PARK). IMPROVEMENTS ARE IN CONJUNCTION WITH PHASE II OF RECENTLY RENOVATED OLD ADMINISTRATION BUILDING USING FEDERAL, REIMBURSABLE GO BONDS AND SPECIAL FUNDS INTO A CLEAN ENERGY AND MARINE SCIENCE INCUBATOR ACCELERATOR. FUNDS WILL BE USED FOR PHASE II BUILDING IMPROVEMENTS.				
		CONSTRUCTION			330	
		TOTAL FUNDING	BED		330 C	

## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017

## LNR141 - WATER AND LAND DEVELOPMENT

## 12. J45 ROCKFALL AND FLOOD MITIGATION, STATEWIDE

PLANS, DESIGN AND CONSTRUCTION FOR ROCKFALL AND FLOOD MITIGATION AT VARIOUS LOCATIONS, STATEWIDE. THE LEGISLATURE FINDS AND DECLARES THAT THE APPROPRIATION IS IN THE PUBLIC INTEREST AND FOR THE PUBLIC'S HEALTH, SAFETY AND GENERAL WELFARE OF THE STATE.

PLANS		1	1
DESIGN		1	1
CONSTRUCTION		2,998	2,998
TOTAL FUNDING	LNR	3,000 C	3,000 C

## 13. G54A ALA WAI CANAL DREDGING, OAHU

CONSTRUCTION FOR DREDGING AND RELATED IMPROVEMENTS.

CONSTRUCTION			5,000
TOTAL FUNDING	LNR	C	5,000 C

## 14. EKU STREAM FLOOD CONTROL AND DRAINAGE IMPROVEMENTS, PHASE 1, OAHU

PLANS AND DESIGN FOR FLOOD CONTROL AND DRAINAGE IMPROVEMENTS TO EKU STREAM.

PLANS		1	
DESIGN		249	
TOTAL FUNDING	LNR	250 C	C

## BED150 - HAWAII COMMUNITY DEVELOPMENT AUTHORITY

## 15. HCD001 HAWAII COMMUNITY DEVELOPMENT AUTHORITY'S COMMUNITY DEVELOPMENT DISTRICTS, OAHU

PLANS FOR COSTS RELATED TO WAGES AND FRINGE BENEFITS FOR PERMANENT AND NON-PERMANENT PROJECT-FUNDED STAFF POSITIONS FOR IMPLEMENTATION OF CAPITAL IMPROVEMENT PROGRAM PROJECTS FOR THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY'S COMMUNITY DEVELOPMENT DISTRICTS. FUNDS MAY BE USED TO MATCH FEDERAL AND NON-STATE FUNDS AS MAY BE AVAILABLE.

PLANS		1,855	
TOTAL FUNDING	BED	1,855 C	C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F	
16.	KA013	NA KUPUNA MAKAMAE 2ND PHASE, OAHU				
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION AND EQUIPMENT FOR THE RENOVATION AND PRESERVATION OF TWO REMAINING STRUCTURES OF THE OLD PUMP STATION AND PREP FOR PROGRAMS IN THE STRUCTURES.				
		PLANS		80		
		LAND		10		
		DESIGN		20		
		CONSTRUCTION		1,300		
		EQUIPMENT		90		
		TOTAL FUNDING	BED	1,500C		C

BED160 - HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

17.		RENTAL HOUSING TRUST FUND INFUSION, STATEWIDE				
		CONSTRUCTION TO PROVIDE AN INFUSION OF FUNDS TO FINANCE ADDITIONAL AFFORDABLE RENTAL HOUSING STATEWIDE.				
		CONSTRUCTION		40,000		
		TOTAL FUNDING	BED	40,000C		C

18.	HFDC04	902 ALDER STREET, HONOLULU, OAHU				
		PLANS AND DESIGN FOR A MIXED-USE AFFORDABLE RENTAL HOUSING AND MULTI-USE JUVENILE SERVICES AND SHELTER CENTER AT 902 ALDER STREET, TMK (1) 2-3-012-019.				
		PLANS		1		
		DESIGN		1,699		
		TOTAL FUNDING	BED	1,700C		C

B. EMPLOYMENT

LBR111 - WORKFORCE DEVELOPMENT

1.		WORKFORCE DEVELOPMENT, HAWAII				
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION AND EQUIPMENT FOR A MULTI-PURPOSE PROCESSING FACILITY.				
		PLANS		50		
		LAND		8,250		
		DESIGN		50		
		CONSTRUCTION		100		
		EQUIPMENT		50		
		TOTAL FUNDING	LBR	8,500C		C

## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F

**LBR903 - OFFICE OF COMMUNITY SERVICES**

2.		BIKESHARE HAWAII, OAHU				
		EQUIPMENT TO LAUNCH STATE-OF-THE-ART BIKE SHARING SYSTEM IN HAWAII. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		EQUIPMENT			100	
		TOTAL FUNDING LBR			100 C	C
3.		HAWAII UNITED OKINAWA ASSOCIATION, OAHU				
		CONSTRUCTION FOR RENOVATION OF FLOOR, STAGE AND LIGHTING AREAS IN THE PERFORMING ARTS FACILITIES FOR HAWAII OKINAWA CENTER. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		CONSTRUCTION			140	
		TOTAL FUNDING LBR			140 C	C
4.		THE FILIPINO COMMUNITY CENTER, INC., OAHU				
		EQUIPMENT FOR TECHNOLOGY CENTER UPGRADE. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		EQUIPMENT			50	
		TOTAL FUNDING LBR			50 C	C
5.		YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF OAHU, OAHU				
		CONSTRUCTION FOR A NEW ROOF FOR MIDKIFF GYMNASIUM AT KOKOKAHI YWCA. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		CONSTRUCTION			300	
		TOTAL FUNDING LBR			300 C	C

**C. TRANSPORTATION FACILITIES****TRN102 - HONOLULU INTERNATIONAL AIRPORT**

1.	A23R	HONOLULU INTERNATIONAL AIRPORT, RUNWAY 8L WIDENING AND LIGHTING IMPROVEMENTS, OAHU				
		CONSTRUCTION FOR RUNWAY 8L WIDENING, LIGHTING AND OTHER RELATED IMPROVEMENTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION			30,000	
		TOTAL FUNDING TRN			9,750 E	E
					20,250 N	N



## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F	
2.	A23S	HONOLULU INTERNATIONAL AIRPORT, AIRCRAFT APRON RECONSTRUCTION, OAHU				
		DESIGN AND CONSTRUCTION FOR THE RECONSTRUCTION OF AIRCRAFT APRONS.				
		DESIGN		2,300		
		CONSTRUCTION			24,000	
		TOTAL FUNDING TRN		2,300E	24,000E	
3.	A08D	HONOLULU INTERNATIONAL AIRPORT, RE-ROOF TERMINAL, OAHU				
		CONSTRUCTION FOR THE RE-ROOFING OF THE EWA AND DIAMOND HEAD CONCOURSES AND OTHER RELATED IMPROVEMENTS.				
		CONSTRUCTION		12,000		
		TOTAL FUNDING TRN		12,000E		E
4.	A24C	HONOLULU INTERNATIONAL AIRPORT, PEDESTRIAN BRIDGE REPLACEMENT AND/OR REHABILITATION, OAHU				
		CONSTRUCTION FOR THE REPLACEMENT AND/OR REHABILITATION OF THE PEDESTRIAN BRIDGES BETWEEN THE OVERSEAS TERMINAL AND THE OVERSEAS TERMINAL PARKING STRUCTURE AND OTHER RELATED IMPROVEMENTS.				
		CONSTRUCTION		3,000		
		TOTAL FUNDING TRN		3,000E		E
5.	A23M	HONOLULU INTERNATIONAL AIRPORT, WATERLINE IMPROVEMENTS, OAHU				
		DESIGN FOR THE UPGRADE OR REPLACEMENT OF EXISTING WATERLINES AND OTHER RELATED IMPROVEMENTS.				
		DESIGN		1,000		
		TOTAL FUNDING TRN		1,000E		E
6.	A16A	HONOLULU INTERNATIONAL AIRPORT, INTERNATIONAL ARRIVALS BUILDING ROOF IMPROVEMENTS, OAHU				
		DESIGN FOR INTERNATIONAL ARRIVALS BUILDING ROOF IMPROVEMENTS.				
		DESIGN		2,000		
		TOTAL FUNDING TRN		2,000E		E
7.	A26B	HONOLULU INTERNATIONAL AIRPORT, RE-ROOF T-HANGAR, OAHU				
		DESIGN FOR THE REROOFING OF T-HANGARS.				
		DESIGN		500		
		TOTAL FUNDING TRN		500E		E

## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F	
8.	A10C	HONOLULU INTERNATIONAL AIRPORT, ROADWAY IMPROVEMENTS, OAHU				
		DESIGN AND CONSTRUCTION TO REPAVE AOOLELE STREET FROM LAGOON DRIVE TO NIMITZ HIGHWAY AND LAGOON DRIVE FROM AOOLELE STREET TO IOLANA STREET.				
		DESIGN		500		
		CONSTRUCTION			7,740	
		TOTAL FUNDING TRN		500E	7,740E	
9.	A41S	HONOLULU INTERNATIONAL AIRPORT, PROGRAM MANAGEMENT, OAHU				
		DESIGN FOR PROGRAM MANAGEMENT OF THE AIRPORT MODERNIZATION PROGRAM.				
		DESIGN		15,000		
		TOTAL FUNDING TRN		15,000E		E
10.	A41R	HONOLULU INTERNATIONAL AIRPORT, DIAMOND HEAD CONCOURSE IMPROVEMENTS, OAHU				
		CONSTRUCTION FOR ASBESTOS ABATEMENT, CEILING AND AIR CONDITIONING IMPROVEMENTS, AND OTHER RELATED IMPROVEMENTS.				
		CONSTRUCTION		6,000		
		TOTAL FUNDING TRN		6,000E		E
11.	A35E	HONOLULU INTERNATIONAL AIRPORT, ROADWAY/TERMINAL SIGNAGE IMPROVEMENTS, OAHU				
		CONSTRUCTION FOR ROADWAY AND TERMINAL SIGNAGE IMPROVEMENTS AND OTHER RELATED IMPROVEMENTS.				
		CONSTRUCTION		15,000		
		TOTAL FUNDING TRN		15,000E		E
12.	A08B	HONOLULU INTERNATIONAL AIRPORT, CONCESSION IMPROVEMENTS, OAHU				
		CONSTRUCTION TO EXPAND, RENOVATE AND IMPROVE THE EXISTING CONCESSION SPACE IN THE OVERSEAS TERMINAL CENTRAL AREA, DIAMOND HEAD CONCOURSE AND EWA CONCOURSE.				
		CONSTRUCTION		6,000		
		TOTAL FUNDING TRN		6,000E		E
13.	A08E	HONOLULU INTERNATIONAL AIRPORT, RESTROOM RENOVATION, OAHU				
		DESIGN FOR RENOVATIONS TO THE EXISTING RESTROOMS AT THE AIRPORT.				
		DESIGN		5,000		
		TOTAL FUNDING TRN		5,000E		E

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
14.	A41P	HONOLULU INTERNATIONAL AIRPORT, INTERNATIONAL ARRIVALS BUILDING CEILING REPLACEMENT, OAHU CONSTRUCTION FOR CEILING REPLACEMENT INCLUDING ASBESTOS REMOVAL AND OTHER RELATED IMPROVEMENTS FOR THE AIRPORT MODERNIZATION PROGRAM.		20,000	
		CONSTRUCTION		20,000E	
		TOTAL FUNDING	TRN	20,000E	E
15.	A08F	HONOLULU INTERNATIONAL AIRPORT, USDA FACILITY, OAHU PLANS, DESIGN AND CONSTRUCTION FOR A NEW UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) INSPECTION FACILITY AND OTHER RELATED IMPROVEMENTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.		200	
		DESIGN		350	
		CONSTRUCTION			5,450
		TOTAL FUNDING	TRN	550N	5,450N
16.	A08C	HONOLULU INTERNATIONAL AIRPORT, OVERSEAS TERMINAL ASBESTOS ABATEMENT, OAHU DESIGN AND CONSTRUCTION FOR THE REMOVAL OF ASBESTOS CONTAINING MATERIALS AND OTHER RELATED IMPROVEMENTS.		2,500	
		DESIGN			20,000
		CONSTRUCTION		2,500E	20,000E
		TOTAL FUNDING	TRN	2,500E	20,000E
17.	A41Z	HONOLULU INTERNATIONAL AIRPORT, BAGGAGE HANDLING SYSTEM IMPROVEMENTS, OAHU DESIGN AND CONSTRUCTION OF IMPROVEMENTS FOR THE BAGGAGE HANDLING SYSTEM AND OTHER RELATED IMPROVEMENTS.		5,000	
		DESIGN			40,000
		CONSTRUCTION		5,000E	40,000E
		TOTAL FUNDING	TRN	5,000E	40,000E

TRN111 - HILO INTERNATIONAL AIRPORT

18.	B05B	HILO INTERNATIONAL AIRPORT, AIRFIELD IMPROVEMENTS, HAWAII CONSTRUCTION FOR AIRFIELD IMPROVEMENTS AND OTHER RELATED IMPROVEMENTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.		3,500	
		CONSTRUCTION		350E	
		TOTAL FUNDING	TRN	3,150N	E
			TRN	3,150N	N

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F	
19.	B10Z	HILO INTERNATIONAL AIRPORT, WEST RAMP DEOMLITION AND SITE IMPROVEMENTS, HAWAII				
		DESIGN AND CONSTRUCTION FOR THE DEMOLITION OF EXISTING STRUCTURES AT THE WEST RAMP AND CONSTRUCTION OF SITE IMPROVEMENTS.				
		DESIGN		300		
		CONSTRUCTION				3,590
		TOTAL FUNDING TRN		300E		3,590E
<b>TRN114 - KONA INTERNATIONAL AIRPORT AT KEAHOLE</b>						
20.	C03D	KONA INTERNATIONAL AIRPORT AT KEAHOLE, REGIONAL ARFF TRAINING FACILITY, HAWAII				
		DESIGN AND CONSTRUCTION FOR A NEW ARFF REGIONAL TRAINING FACILITY TO INCLUDE ITEMS NECESSARY FOR CURRENT AVIATION AND EMERGENCY RESPONDER NEEDS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		DESIGN		5,000		
		CONSTRUCTION				56,000
		TOTAL FUNDING TRN		5,000E		36,000E
						20,000N
21.		KONA INTERNATIONAL AIRPORT AT KEAHOLE, FEDERAL INSPECTION STATION, HAWAII				
		PLANS AND DESIGN FOR A FEDERAL INSPECTION STATION AT KONA INTERNATIONAL AIRPORT AT KEAHOLE.				
		PLANS		1		
		DESIGN		2,499		
		TOTAL FUNDING TRN		2,500C		C
<b>TRN131 - KAHULUI AIRPORT</b>						
22.	D08Q	KAHULUI AIRPORT, NEW SEWAGE LIFT/PUMP STATION, MAUI				
		CONSTRUCTION FOR THE REMOVAL OF THE EXISTING SEWAGE LIFT STATION AND REPLACEMENT WITH A NEW SEWAGE LIFT/PUMP STATION.				
		CONSTRUCTION		3,300		
		TOTAL FUNDING TRN		3,300E		E
23.	D04V	KAHULUI AIRPORT, RESTROOM RECONSTRUCTION, MAUI				
		DESIGN AND CONSTRUCTION FOR RENOVATION OF AIRPORT RESTROOMS AT THE AIRPORT.				
		DESIGN		900		
		CONSTRUCTION				6,600
		TOTAL FUNDING TRN		900E		6,600E

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
24.	D04D	KAHULUI AIRPORT, TERMINAL IMPROVEMENTS, MAUI			
		DESIGN AND CONSTRUCTION OF HOLD ROOM AND SECURITY PASS AND ID OFFICE IMPROVEMENTS, AND A NEW CONFERENCE ROOM.			
		DESIGN		800	
		CONSTRUCTION			8,000
		TOTAL FUNDING	TRN	800E	8,000E
<b>TRN133 - HANA AIRPORT</b>					
25.	D20B	HANA AIRPORT, PART 139 IMPROVEMENTS, MAUI			
		CONSTRUCTION FOR PART 139 COMPLIANCE IMPROVEMENTS FOR A NEW AIRCRAFT RESCUE AND FIRE FIGHTING (ARFF) STATION AND OTHER RELATED IMPROVEMENTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		CONSTRUCTION		2,079	12,500
		TOTAL FUNDING	TRN	189E	1,250E
			TRN	1,890N	11,250N
26.		HANA AIRPORT, MAUI			
		DESIGN AND CONSTRUCTION FOR IMPROVEMENTS TO MEET 14 CFR, PART 139 REQUIREMENTS.			
		DESIGN		1,000	
		CONSTRUCTION		18,000	
		TOTAL FUNDING	TRN	19,000E	E
<b>TRN141 - MOLOKAI AIRPORT</b>					
27.	D55G	MOLOKAI AIRPORT, RUNWAY 17-35 IMPROVEMENTS, MOLOKAI			
		DESIGN AND CONSTRUCTION FOR AIRFIELD IMPROVEMENTS INCLUDING PAVEMENT RECONSTRUCTION, DRAINAGE, STRIPING, LIGHTING, SIGNAGE AND OTHER RELATED IMPROVEMENTS.			
		DESIGN		200	
		CONSTRUCTION			3,000
		TOTAL FUNDING	TRN	200E	3,000E
<b>TRN151 - LANAI AIRPORT</b>					
28.	D70I	LANAI AIRPORT, AIRPORT ROAD AND PARKING LOT IMPROVEMENTS, LANAI			
		CONSTRUCTION FOR AIRPORT ROAD AND PARKING LOT IMPROVEMENTS AND OTHER RELATED IMPROVEMENTS.			
		CONSTRUCTION			1,500
		TOTAL FUNDING	TRN	E	1,500E

## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
<b>TRN161 - LIHUE AIRPORT</b>					
29.	E10B	LIHUE AIRPORT, AIRFIELD IMPROVEMENTS, KAUAI			
		CONSTRUCTION FOR AIRFIELD IMPROVEMENTS AND OTHER RELATED IMPROVEMENTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		CONSTRUCTION		20,000	
		TOTAL FUNDING	TRN	5,465 E	E
			TRN	14,535 N	N
<b>TRN195 - AIRPORTS ADMINISTRATION</b>					
30.	F08F	AIRPORTS DIVISION CAPITAL IMPROVEMENT PROGRAM PROJECT STAFF COSTS, STATEWIDE			
		PLANS, DESIGN AND CONSTRUCTION FOR COSTS RELATED TO WAGES AND FRINGES FOR PERMANENT PROJECT FUNDED STAFF POSITIONS FOR THE IMPLEMENTATION OF CAPITAL IMPROVEMENT PROGRAM PROJECTS FOR THE DEPARTMENT OF TRANSPORTATION'S AIRPORTS DIVISION. PROJECT MAY ALSO INCLUDE FUNDS FOR NON-PERMANENT CAPITAL IMPROVEMENT PROGRAM RELATED POSITIONS. (OTHER FUNDS FROM PASSENGER FACILITY CHARGES)			
		PLANS		275	275
		DESIGN		1,325	1,500
		CONSTRUCTION		1,825	2,150
		TOTAL FUNDING	TRN	3,300 B	3,800 B
			TRN	125 X	125 X
31.	F05I	AIRFIELD IMPROVEMENTS, STATEWIDE			
		DESIGN AND CONSTRUCTION FOR AIRFIELD IMPROVEMENTS AT STATEWIDE AIRPORTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		DESIGN		1,000	1,000
		CONSTRUCTION		11,000	11,000
		TOTAL FUNDING	TRN	4,500 B	4,500 B
			TRN	7,500 N	7,500 N
32.	F08G	MISCELLANEOUS AIRPORT PROJECTS, STATEWIDE			
		DESIGN AND CONSTRUCTION OF IMPROVEMENTS AT VARIOUS STATE AIRPORTS. IMPROVEMENTS FOR SAFETY AND CERTIFICATION REQUIREMENTS, OPERATIONAL EFFICIENCY AND PROJECTS REQUIRED FOR AIRPORT RELATED DEVELOPMENT.			
		DESIGN		1,000	1,000
		CONSTRUCTION		2,500	2,500
		TOTAL FUNDING	TRN	3,500 B	3,500 B

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F	
33.	F04J	AIRPORT PLANNING STUDY, STATEWIDE				
		PLANS FOR AIRPORT IMPROVEMENTS, ECONOMIC STUDIES, RESEARCH, NOISE MONITORING STUDIES, NOISE COMPATIBILITY STUDIES AND ADVANCE PLANNING OF FEDERAL AID AND NON-FEDERAL AID PROJECTS.				
		PLANS		1,000		1,000
		TOTAL FUNDING	TRN	1,000B		1,000B
34.	F08Y	PROGRAM MANAGEMENT, STATEWIDE				
		DESIGN FOR THE PROGRAM MANAGEMENT OF THE MODERNIZATION PROGRAM AT STATEWIDE AIRPORTS.				
		DESIGN		1,500		1,000
		TOTAL FUNDING	TRN	1,500E		1,000E
35.	F08O	CONSTRUCTION MANAGEMENT SUPPORT, STATEWIDE				
		CONSTRUCTION FOR CONSTRUCTION MANAGEMENT SUPPORT AT AIRPORT FACILITIES, STATEWIDE.				
		CONSTRUCTION		1,000		1,000
		TOTAL FUNDING	TRN	1,000B		1,000B
36.	F05L	RENTAL CAR FACILITY IMPROVEMENTS, STATEWIDE				
		LAND ACQUISITION AND CONSTRUCTION TO PROVIDE CONSOLIDATED CAR RENTAL FACILITIES FOR THE RENTAL CAR AGENCIES AND OTHER RELATED IMPROVEMENTS.				
		LAND		12,000		
		CONSTRUCTION		203,950		
		TOTAL FUNDING	TRN	86,811B		B
			TRN	129,139E		E
37.	F04P	AIRPORT LAYOUT PLAN, STATEWIDE				
		PLANS TO UPDATE THE AIRPORT LAYOUT PLANS FOR ALL AIRPORTS, STATEWIDE.				
		PLANS		2,000		
		TOTAL FUNDING	TRN	2,000B		B
38.		FEASIBILITY STUDY FOR SMALL COMMERCIAL AIRPORT, HAWAII				
		PLANS FOR FEASIBILITY STUDY FOR FEASIBILITY AND COST OF CONSTRUCTING SMALL COMMERCIAL AIRPORT IN SOUTH PUNA.				
		PLANS		50		
		TOTAL FUNDING	TRN	50E		E

## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
<b>TRN301 - HONOLULU HARBOR</b>					
39.	J42	MODERNIZATION PROGRAM -KAPALAMA MILITARY RESERVATION IMPROVEMENTS, HONOLULU HARBOR, OAHU PLANS, DESIGN AND CONSTRUCTION FOR THE DEVELOPMENT OF A NEW CONTAINER TERMINAL FACILITY AND OTHER RELATED IMPROVEMENTS.			
		PLANS		500	
		DESIGN		1,500	
		CONSTRUCTION		248,000	
		TOTAL FUNDING	TRN	250,000 E	E
40.		HARDENING FOR DECKING BAYS AND PARKING AREAS AT PIERS 51B THROUGH 52, HONOLULU HARBOR, OAHU PLANS, DESIGN AND CONSTRUCTION TO PERMANENTLY HARDEN DECKING BAYS AND PARKING AREAS FOR LOADED CONTAINERS IN THE CONTAINER TERMINAL AT PIERS 51B THROUGH 52 IN HONOLULU HARBOR. THE PROPOSED PROJECT WILL REQUIRE USE OF CONCRETE ON THE ENTIRE AREA, AND WILL ALSO INCLUDE HANDLING, INSTALLING AND MOVING RELATED UTILITIES, I.E. WATER LINES, ELECTRICAL BOXES AND CONDUITS AND RESTRIPIING OF THE AFFECTED AREA.			
		PLANS		1	
		DESIGN		2	
		CONSTRUCTION		9,997	
		TOTAL FUNDING	TRN	10,000 E	E
<b>TRN303 - KALAELOA BARBERS POINT HARBOR</b>					
41.	J44	FUEL PIER FACILITY IMPROVEMENTS, KALAELOA BARBERS POINT HARBOR, OAHU PLANS, DESIGN AND CONSTRUCTION FOR A NEW FUEL PIER FACILITY AND OTHER RELATED IMPROVEMENTS.			
		PLANS		1,000	
		DESIGN		3,000	
		CONSTRUCTION			50,000
		TOTAL FUNDING	TRN	4,000 E	50,000 E
<b>TRN311 - HILO HARBOR</b>					
42.	L01	HILO HARBOR MODIFICATIONS, HAWAII PLANS TO MODIFY THE TURNING BASIN, ENTRANCE CHANNEL AND OTHER PHYSICAL FEATURES TO IMPROVE NAVIGATIONAL SAFETY AND OPERATIONAL EFFICIENCIES AT HILO HARBOR, HAWAII.			
		PLANS		925	500
		TOTAL FUNDING	TRN	925 B	500 B



CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F

TRN331 - KAHULUI HARBOR

43.	M15	MODERNIZATION PROGRAM - KAHULUI HARBOR LAND ACQUISITION AND IMPROVEMENTS, MAUI				
		LAND ACQUISITION AND DESIGN FOR IMPROVEMENTS OF THE ACQUIRED LAND INCLUDING DEMOLITION OF EXISTING STRUCTURES, PAVING, UTILITIES, LANDSCAPING, FENCING AND OTHER RELATED SITEWORK IMPROVEMENTS.				
		LAND		15,000		
		DESIGN		2,000		
		TOTAL FUNDING	TRN	17,000E		E
44.	M22	KAHULUI HARBOR IMPROVEMENTS, MAUI				
		PLANS, DESIGN AND CONSTRUCTION OF CAPITAL IMPROVEMENTS THAT WILL PROVIDE FOR SAFER AND MORE EFFICIENT USE OF OPERATIONAL AREAS AT KAHULUI HARBOR, MAUI.				
		PLANS		525		525
		DESIGN		1,575		1,575
		CONSTRUCTION		8,400		8,400
		TOTAL FUNDING	TRN	10,500E		10,500E

TRN395 - HARBORS ADMINISTRATION

45.	I21	MODERNIZATION PROGRAM - HARBORS DIVISION CAPITAL IMPROVEMENT PROGRAM STAFF COSTS, STATEWIDE				
		PLANS FOR COSTS RELATED TO WAGES AND FRINGE FOR PERMANENT HARBOR MODERNIZATION PLAN PROJECT FUNDED STAFF POSITIONS FOR THE IMPLEMENTATION OF MODERNIZATION PROGRAM PROJECTS FOR THE DEPARTMENT OF TRANSPORTATION'S HARBORS DIVISION. PROJECTS MAY ALSO INCLUDE FUNDS FOR NON PERMANENT CAPITAL IMPROVEMENT PROGRAM RELATED POSITIONS.				
		PLANS		1,735		1,735
		TOTAL FUNDING	TRN	1,735E		1,735E
46.	I24	COMMERCIAL HARBOR FACILITY IMPROVEMENTS, STATEWIDE				
		PLANS, DESIGN AND CONSTRUCTION OF SHORE-SIDE AND WATER IMPROVEMENTS FOR COMMERCIAL HARBOR FACILITIES, STATEWIDE.				
		PLANS		425		425
		DESIGN		850		850
		CONSTRUCTION		7,225		7,225
		TOTAL FUNDING	TRN	8,500E		8,500E

## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
47.	I15	SECURITY IMPROVEMENTS AT COMMERCIAL HARBORS, STATEWIDE			
		PLANS, DESIGN AND CONSTRUCTION FOR SECURITY SYSTEM IMPROVEMENTS AT COMMERCIAL HARBOR FACILITIES, STATEWIDE.			
		PLANS		50	50
		DESIGN		150	150
		CONSTRUCTION		300	300
		TOTAL FUNDING TRN		500B	500B
48.	I01	HARBOR PLANNING, STATEWIDE			
		PLANS FOR CONTINUING HARBOR STUDIES, RESEARCH AND ADVANCE PLANNING OF HARBOR AND TERMINAL FACILITIES ON ALL ISLANDS.			
		PLANS		750	750
		TOTAL FUNDING TRN		750B	750B
49.	I06	ARCHITECTURAL AND ENGINEERING SUPPORT, STATEWIDE			
		PLANS AND DESIGN FOR CONSULTANT SERVICES FOR DEVELOPMENT OF COMMERCIAL HARBOR FACILITIES, STATEWIDE.			
		PLANS		100	100
		DESIGN		300	300
		TOTAL FUNDING TRN		400B	400B
50.	I13	CONSTRUCTION MANAGEMENT SUPPORT, STATEWIDE			
		CONSTRUCTION FOR CONSULTANT SERVICES FOR CONSTRUCTION PROJECTS AT HARBOR FACILITIES, STATEWIDE.			
		CONSTRUCTION		500	500
		TOTAL FUNDING TRN		500B	500B
51.	I20	MODERNIZATION PROGRAM CONSTRUCTION MANAGEMENT SUPPORT, STATEWIDE			
		CONSTRUCTION FOR CONSULTANT SERVICES DURING CONSTRUCTION OF MODERNIZATION PROGRAM PROJECTS AT COMMERCIAL HARBOR FACILITIES, STATEWIDE.			
		CONSTRUCTION		5,000	5,000
		TOTAL FUNDING TRN		5,000E	5,000E
52.	I07	ENVIRONMENTAL REMEDIATION OF COMMERCIAL HARBOR FACILITIES, STATEWIDE			
		PLANS, DESIGN AND CONSTRUCTION FOR ASSESSMENT, MITIGATION AND/OR REMEDIATION OF ENVIRONMENTAL CONDITIONS AT COMMERCIAL HARBOR FACILITIES, STATEWIDE.			
		PLANS		100	100
		DESIGN		200	200
		CONSTRUCTION		1,200	1,200
		TOTAL FUNDING TRN		1,500B	1,500B

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
53.		RELOCATION OF "I HEART RADIO" AERIAL, OAHU			
		PLANS, DESIGN AND CONSTRUCTION FOR RELOCATION OF THE 447 FOOT "I HEART RADIO" AERIAL LOCATED NEAR THE KAPALAMA CANAL ON DILLINGHAM BLVD.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		4,998	
		TOTAL FUNDING	TRN	5,000 C	C
<b>TRN501 - OAHU HIGHWAYS</b>					
54.	S266	GUARDRAIL AND SHOULDER IMPROVEMENTS, VARIOUS LOCATIONS, OAHU			
		DESIGN AND CONSTRUCTION FOR INSTALLING AND/OR UPGRADING THE EXISTING GUARDRAILS, END TERMINALS, TRANSITIONS, BRIDGE RAILING, BRIDGE ENDPPOSTS AND CRASH ATTENUATORS AND UPGRADING SHOULDERS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		DESIGN		500	
		CONSTRUCTION		10,500	3,000
		TOTAL FUNDING	TRN	2,200 E	600 E
			TRN	8,800 N	2,400 N
55.	S332	EROSION CONTROL PROGRAM FOR STATE HIGHWAYS AND FACILITIES, OAHU			
		LAND ACQUISITION, DESIGN AND CONSTRUCTION FOR PERMANENT EROSION CONTROL MITIGATION MEASURES ON STATE HIGHWAYS AND FACILITIES ON OAHU.			
		LAND		100	
		DESIGN		200	200
		CONSTRUCTION			2,000
		TOTAL FUNDING	TRN	300 E	2,200 E
56.	S344	MISCELLANEOUS PERMANENT BEST MANAGEMENT PRACTICES, OAHU			
		LAND ACQUISITION, DESIGN AND CONSTRUCTION FOR PERMANENT BEST MANAGEMENT PRACTICE IMPROVEMENTS TO EXISTING HIGHWAY FACILITIES INCLUDING INSTALLATION OF STRUCTURAL AND NATURAL BEST MANAGEMENT PRACTICES AT VARIOUS LOCATIONS ON OAHU.			
		LAND			100
		DESIGN			750
		CONSTRUCTION		750	
		TOTAL FUNDING	TRN	750 E	850 E

## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
57.	S351	CULVERT ASSESSMENT AND REMEDIATION, OAHU DESIGN AND CONSTRUCTION TO ASSESS CULVERTS AND REPAIR AND/OR REPLACE CULVERTS REQUIRING REMEDIATION.			
		DESIGN		1,000	1,000
		CONSTRUCTION		3,810	1,500
		TOTAL FUNDING	TRN	4,810E	2,500E
58.	S270	TRAFFIC OPERATIONAL IMPROVEMENTS TO EXISTING INTERSECTIONS AND HIGHWAYS FACILITIES, OAHU  DESIGN FOR MISCELLANEOUS IMPROVEMENTS TO EXISTING INTERSECTIONS AND HIGHWAY FACILITIES NECESSARY FOR IMPROVED TRAFFIC OPERATION INCLUDING ELIMINATING CONSTRICTIONS, MODIFYING AND/ OR INSTALLING TRAFFIC SIGNALS, CONSTRUCTING TURNING LANES, ACCELERATION AND/OR DECELERATION LANES AND OTHER IMPROVEMENTS FOR MORE EFFICIENT TRAFFIC FLOW.			
		DESIGN			200
		TOTAL FUNDING	TRN	E	200E
59.	S353	COMMERCIAL DRIVER'S LICENSE (CDL) AND MOTORCYCLE LICENSE TESTING FACILITY, OAHU  CONSTRUCTION FOR COMMERCIAL DRIVER'S LICENSE (CDL) AND MOTORCYCLE LICENSE TESTING FACILITY.			
		CONSTRUCTION		400	
		TOTAL FUNDING	TRN	400E	E
60.	S346	INTERSTATE ROUTE H-1, KAPALAMA CANAL BRIDGE REHABILITATION, OAHU  DESIGN AND CONSTRUCTION FOR REHABILITATION OF KAPALAMA CANAL BRIDGE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		DESIGN		600	
		CONSTRUCTION		8,500	
		TOTAL FUNDING	TRN	1,820E	E
			TRN	7,280N	N
61.	S313	INTERSTATE ROUTE H-1, ADDITION AND/OR MOD. OF FREEWAY ACCS. MAKAKILO TO PALAILAI INTERCHANGE, OAHU  CONSTRUCTION TO IMPROVE AND/OR MODIFY THE MAKAKILO AND PALAILAI INTERCHANGES AND CONSTRUCT A NEW INTERCHANGE (KAPOLEI INTERCHANGE). THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		CONSTRUCTION		7,000	
		TOTAL FUNDING	TRN	1,400E	E
			TRN	5,600N	N

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
62.	S354	KAMEHAMEHA HIGHWAY, KIPAPA STREAM (ROOSEVELT) BRIDGE REHABILITATION AND/OR REPLACEMENT, OAHU LAND ACQUISITION AND CONSTRUCTION FOR REHABILITATION AND/OR REPLACEMENT OF KIPAPA STREAM (ROOSEVELT) BRIDGE ON KAMEHAMEHA HIGHWAY. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		LAND		250	
		CONSTRUCTION			17,000
		TOTAL FUNDING	TRN	50E	3,400E
			TRN	200N	13,600N
63.	S357	KAMEHAMEHA HIGHWAY, HOOLAPA (NANAHU) BRIDGE REHABILITATION AND/OR REPLACEMENT, OAHU LAND ACQUISITION AND CONSTRUCTION FOR REHABILITATION AND/OR REPLACEMENT OF HOOLAPA (NANAHU) BRIDGE ALONG KAMEHAMEHA HIGHWAY (ROUTE 83). THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		LAND		250	
		CONSTRUCTION		5,000	
		TOTAL FUNDING	TRN	1,050E	E
			TRN	4,200N	N
64.	S297	KAMEHAMEHA HIGHWAY, KAWELA STREAM BRIDGE REPLACEMENT, OAHU CONSTRUCTION FOR REPLACEMENT OF THE EXISTING BRIDGE ON KAMEHAMEHA HIGHWAY AT KAWELA STREAM WITH A LARGER BRIDGE INCLUDING IMPROVEMENTS TO THE ROADWAY APPROACHES, SEISMIC UPGRADES, TEMPORARY DETOUR ROAD AND UTILITY RELOCATIONS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		CONSTRUCTION		2,500	
		TOTAL FUNDING	TRN	500E	E
			TRN	2,000N	N
65.	S306	KAMEHAMEHA HIGHWAY, SOUTH KAHANA STREAM BRIDGE REHABILITATION AND/OR REPLACEMENT, OAHU CONSTRUCTION FOR REHABILITATION AND/OR REPLACEMENT OF SOUTH KAHANA STREAM BRIDGE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		CONSTRUCTION			1,000
		TOTAL FUNDING	TRN	E	200E
			TRN	N	800N

## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F	
66.	S328	KAMEHAMEHA HIGHWAY, REHABILITATION AND/OR REPLACEMENT OF MAKAU A STREAM BRIDGE, OAHU				
		CONSTRUCTION FOR THE REHABILITATION AND/OR REPLACEMENT OF MAKAU A STREAM BRIDGE TO INCLUDE BRIDGE RAILINGS, SHOULDERS AND OTHER IMPROVEMENTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION				600
		TOTAL FUNDING	TRN		E	120E
			TRN		N	480N
67.	SP0303	KAHEKILI HIGHWAY, OAHU				
		LAND ACQUISITION AND DESIGN FOR HIGHWAY WIDENING AND OTHER IMPROVEMENTS TO PROVIDE CORRIDOR CAPACITY AND OPERATIONAL IMPROVEMENTS FROM LIKELIKE HIGHWAY TO KAMEHAMEHA HIGHWAY. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		LAND				1,000
		DESIGN		4,250		
		TOTAL FUNDING	TRN	850E		200E
			TRN	3,400N		800N
68.	S358	KEAAHALA ROAD WIDENING, KAHEKILI HIGHWAY TO POOKELA STREET, OAHU				
		LAND ACQUISITION, DESIGN AND CONSTRUCTION FOR THE WIDENING OF KEAAHALA ROAD FROM KAHEKILI HIGHWAY TO POOKELA STREET.				
		LAND		500		
		DESIGN		650		
		CONSTRUCTION				3,000
		TOTAL FUNDING	TRN	1,150E		3,000E
69.	S231	KALANIANAOLE HIGHWAY IMPROVEMENTS, OLOMANA GOLF COURSE TO WAIMANALO BEACH PARK, OAHU				
		DESIGN OF TURNING LANES, SIDEWALKS, CURB RAMPS, BIKE PATHS OR BIKE ROUTES, UPGRADING TRAFFIC SIGNALS, UTILITY RELOCATION AND OTHER MISCELLANEOUS IMPROVEMENTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		DESIGN		1,500		
		TOTAL FUNDING	TRN	300E		E
			TRN	1,200N		N

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F	
70.	SP0603	FARRINGTON HIGHWAY IMPROVEMENTS BETWEEN HONOKAI HALE AND HAKIMO ROAD, OAHU CONSTRUCTION FOR IMPROVEMENTS ALONG FARRINGTON HIGHWAY FOR ALTERNATIVE CONGESTION RELIEF AND/OR SAFETY IMPROVEMENTS ALONG FARRINGTON HIGHWAY BETWEEN HONOKAI HALE AND HAKIMO ROAD. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION				500
		TOTAL FUNDING	TRN	E		100E
			TRN	N		400N
71.	S257	CASTLE HILLS ACCESS ROAD IMPROVEMENTS, OAHU LAND ACQUISITION, DESIGN AND CONSTRUCTION FOR THE WIDENING OF CASTLE HILLS ACCESS ROAD (POOKELA STREET), FROM KEAAHALA ROAD TO KUPOHU STREET.				
		LAND			500	
		DESIGN			600	
		CONSTRUCTION				3,000
		TOTAL FUNDING	TRN	1,100E		3,000E
72.	S331	INTERSTATE ROUTE H-1 WIDENING, EASTBOUND, WAI'AU INTERCHANGE TO HALAWA INTERCHANGE, OAHU DESIGN FOR THE WIDENING OF H-1 EASTBOUND FREEWAY AND VIADUCT STRUCTURE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		DESIGN			4,500	
		TOTAL FUNDING	TRN	900E		E
			TRN	3,600N		N
73.	S356	SAND ISLAND ACCESS ROAD, TRUCK WEIGH STATION, OAHU LAND ACQUISITION AND CONSTRUCTION OF A TRUCK WEIGH STATION ON SAND ISLAND ACCESS ROAD. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		LAND			3,000	
		CONSTRUCTION				550
		TOTAL FUNDING	TRN	600E		110E
			TRN	2,400N		440N
74.		H-1 FREEWAY NEAR ULUNE STREET, OAHU DESIGN AND CONSTRUCTION FOR A NOISE BARRIER ALONG THE H-1 FREEWAY NEAR ULUNE STREET.				
		DESIGN			1	
		CONSTRUCTION			834	
		TOTAL FUNDING	TRN	835C		C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
75.		KALIHI STREET CROSSWALK, OAHU			
		PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT FOR THE INSTALLATION OF A SIGNALIZED CROSSWALK ON KALIHI STREET BETWEEN ASHFORD STREET AND KAHANU STREET.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		747	
		EQUIPMENT		1	
		TOTAL FUNDING	TRN	750C	C
<b>TRN511 - HAWAII HIGHWAYS</b>					
76.	T153	MAMALAHOA HIGHWAY, NINOLE BRIDGE REHABILITATION AND/OR REPLACEMENT, HAWAII			
		CONSTRUCTION FOR REHABILITATION AND/OR REPLACEMENT OF NINOLE BRIDGE ALONG MAMALAHOA HIGHWAY (ROUTE 11). THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		CONSTRUCTION			8,000
		TOTAL FUNDING	TRN	E	1,600E
			TRN	N	6,400N
77.	T149	KOHALA MOUNTAIN ROAD DRAINAGE IMPROVEMENTS, HAWAII			
		CONSTRUCTION FOR DRAINAGE IMPROVEMENTS IN THE VICINITY OF MILE POST 10.60.			
		CONSTRUCTION		3,600	
		TOTAL FUNDING	TRN	3,600E	E
78.	T108	DANIEL K. INOUE HIGHWAY EXTENSION, MAMALAHOA HIGHWAY TO QUEEN KAAHUMANU HIGHWAY, HAWAII			
		LAND ACQUISITION FOR A NEW ROADWAY AND/OR REALIGNMENT AND EXTENDING THE DANIEL K. INOUE HIGHWAY FROM THE HILO TERMINUS TO THE QUEEN KAAHUMANU HIGHWAY. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		LAND		660	
		TOTAL FUNDING	TRN	110E	E
			TRN	550N	N



CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
79.	T128	KEAAU-PAHOA ROAD IMPROVEMENTS, KEAAU TO PAHOA, HAWAII			
		LAND ACQUISITION AND DESIGN FOR WIDENING THE TWO LANE HIGHWAY TO FOUR LANES OR ALTERNATE ALIGNMENTS IN THIS CORRIDOR. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		LAND		100	2,000
		DESIGN		350	
		TOTAL FUNDING	TRN	90E	400E
			TRN	360N	1,600N
80.		HIGHWAY 130, HAWAII			
		CONSTRUCTION FOR THE REPAIR AND MAINTENANCE OF FEEDER ROADS AND ALTERNATE ROUTES FOR HIGHWAY 130.			
		CONSTRUCTION		15,000	
		TOTAL FUNDING	TRN	15,000E	E
<b>TRN531 - MAUI HIGHWAYS</b>					
81.	V075	HANA HIGHWAY ROCKFALL MITIGATION, HUELO TO HANA, MAUI			
		DESIGN AND CONSTRUCTION TO MITIGATE ROCKFALLS AND POTENTIAL LANDSLIDE AREAS ALONG THE SLOPES OF ROUTE 360 HANA HIGHWAY AT VARIOUS LOCATIONS.			
		DESIGN			200
		CONSTRUCTION		4,400	
		TOTAL FUNDING	TRN	4,400E	200E
82.	V084	HANA HIGHWAY IMPROVEMENTS, HUELO TO HANA, MAUI			
		CONSTRUCTION FOR IMPROVING, UPGRADING AND/OR REPAIRING ROADWAYS, BRIDGES, WALLS, DRAINAGE STRUCTURES, GUARDRAILS AND OTHER FACILITIES ON ROUTE 360 HANA HIGHWAY.			
		CONSTRUCTION		2,000	2,000
		TOTAL FUNDING	TRN	2,000E	2,000E
83.	V100	HANA HIGHWAY IMPROVEMENTS, VICINITY OF MILEPOST 28.1, MAUI			
		LAND ACQUISITION, DESIGN AND CONSTRUCTION FOR ROADWAY WIDENING AND/OR REALIGNMENT AND OTHER IMPROVEMENTS ALONG HANA HIGHWAY IN THE VICINITY OF MILEPOST 28.1.			
		LAND		75	
		DESIGN		120	
		CONSTRUCTION			700
		TOTAL FUNDING	TRN	195E	700E

## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F	
84.	V076	HANA HIGHWAY/KAAHUMANU AVENUE BEAUTIFICATION, DAIRY ROAD TO NANILoa OVERPASS, MAUI CONSTRUCTION FOR THE BEAUTIFICATION OF THE MAIN CORRIDOR BETWEEN KAHULUI AND WAILUKU, TO INCLUDE LANDSCAPE AND IRRIGATION. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			1,050	
		CONSTRUCTION			210E	E
		TOTAL FUNDING	TRN		840N	N
85.	V095	HALEAKALA HIGHWAY WIDENING AT MILE POST 0.8, MAUI CONSTRUCTION FOR WIDENING THE HIGHWAY FROM ONE LANE TO TWO LANES, EXTENDING A BOX CULVERT AND CONSTRUCTING HEADWALLS AND WINGWALLS.			1,800	
		CONSTRUCTION			1,800E	E
		TOTAL FUNDING	TRN			
86.	V074	PAIA BYPASS, MAUI PLANS FOR ALTERNATIVE TRAFFIC IMPROVEMENTS IN THE VICINITY OF PAIA TOWN. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			300	
		PLANS			60E	E
		TOTAL FUNDING	TRN		240N	N
87.	W013	KAMEHAMEHA V HIGHWAY, MAKAKUPAIA STREAM BRIDGE REPLACEMENT, MOLOKAI CONSTRUCTION FOR THE REPLACEMENT OF MAKAKUPAIA STREAM BRIDGE TO INCLUDE BRIDGE RAILINGS AND OTHER IMPROVEMENTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				3,500
		CONSTRUCTION			E	700E
		TOTAL FUNDING	TRN		N	2,800N
88.	VP0301	HONOAPIILANI HIGHWAY WIDENING, LAHAINA TO MAALAEA, MAUI PLANS, DESIGN AND CONSTRUCTION FOR THE REALIGNMENT/WIDENING OF HONOAPIILANI HIGHWAY FROM MAALAEA TO LAUNIUPOKO. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		PLANS			1	
		DESIGN			1	
		CONSTRUCTION			8,498	
		TOTAL FUNDING	TRN		8,500E	E

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
89.	V107	KAHULUI BASEYARD IMPROVEMENTS, MAUI			
		DESIGN FOR KAHULUI BASEYARD IMPROVEMENTS.			
		DESIGN		650	
		TOTAL FUNDING	TRN	650 E	E
<b>TRN561 - KAUAI HIGHWAYS</b>					
90.	X051	GUARDRAIL AND SHOULDER IMPROVEMENTS ON STATE HIGHWAYS, KAUAI			
		DESIGN AND CONSTRUCTION FOR INSTALLING AND/OR UPGRADING OF GUARDRAILS, END TERMINALS, TRANSITIONS, BRIDGE RAILINGS, BRIDGE ENDPPOSTS AND CRASH ATTENUATORS; AND RECONSTRUCTING AND PAVING OF SHOULDERS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		DESIGN		300	
		CONSTRUCTION			4,000
		TOTAL FUNDING	TRN	60 E	800 E
			TRN	240 N	3,200 N
91.	X124	KUHIO HIGHWAY, KAPAIA STREAM BRIDGE REHABILITATION AND/OR REPLACEMENT, KAUAI			
		CONSTRUCTION FOR REHABILITATION AND/OR REPLACEMENT OF A MULTI-TEE BEAM REINFORCED CONCRETE GIRDER BRIDGE ON KUHIO HIGHWAY IN THE VICINITY OF KAPAIA TO INCLUDE PEDESTRIAN WALKWAYS, BRIDGE RAILINGS AND APPROACHES AND OTHER IMPROVEMENTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		CONSTRUCTION		750	
		TOTAL FUNDING	TRN	150 E	E
			TRN	600 N	N
92.	X128	KUHIO HIGHWAY, REHABILITATION AND/OR REPLACEMENT OF WAIOLI, WAIPA AND WAIKOKO BRIDGES, KAUAI			
		LAND ACQUISITION FOR THE REHABILITATION AND/OR REPLACEMENT OF WAIOLI STREAM BRIDGE, WAIPA STREAM BRIDGE AND WAIKOKO STREAM BRIDGE ON KUHIO HIGHWAY, ROUTE 560. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		LAND			600
		TOTAL FUNDING	TRN	E	120 E
			TRN	N	480 N

## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F	
93.	X121	KUHIO HIGHWAY, REPLACEMENT OF WAINIHA BRIDGES, NUMBERS 1, 2 AND 3, KAUAI				
		CONSTRUCTION FOR REPLACEMENT OF WAINIHA BRIDGES NUMBERS 1, 2 AND 3. PROJECT WILL CONSTRUCT BRIDGE APPROACHES, DETOUR ROADS AND OTHER IMPROVEMENTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION				15,000
		TOTAL FUNDING	TRN	E		3,000E
			TRN	N		12,000N
94.	X133	KUHIO HIGHWAY IMPROVEMENTS IN THE VICINITY OF KAUAI COMMUNITY CORRECTIONAL CENTER AND WAILUA GOLF COURSE, KAUAI				
		LAND ACQUISITION, DESIGN AND CONSTRUCTION FOR IMPROVEMENTS IN THE VICINITY OF THE KAUAI COMMUNITY CORRECTIONAL CENTER AND WAILUA GOLF COURSE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		LAND				850
		DESIGN				250
		CONSTRUCTION				9,500
		TOTAL FUNDING	TRN	1,100E		1,900E
			TRN	N		7,600N
95.	X134	KUHIO HIGHWAY, SLOPE STABILIZATION AT LUMAHAI HILLSIDE, KAUAI				
		CONSTRUCTION FOR SLOPE STABILIZATION AT LUMAHAI HILLSIDE.				
		CONSTRUCTION				150
		TOTAL FUNDING	TRN	E		150E
96.	X136	KAUMUALII HIGHWAY, BRIDGE NO. 7E REHABILITATION AND/OR REPLACEMENT, KAUAI				
		LAND ACQUISITION FOR REHABILITATION AND/OR REPLACEMENT OF BRIDGE NO. 7E ALONG KAUMUALII HIGHWAY (ROUTE 50). THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		LAND				100
		TOTAL FUNDING	TRN	E		20E
			TRN	N		80N

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
97.	X007	KUHIO HIGHWAY IMPROVEMENTS, HANAMAULU TO KAPAA, KAUAI			
		LAND ACQUISITION, DESIGN AND CONSTRUCTION FOR A NEW KAPAA BYPASS AND/OR WIDEN SECTIONS OF KUHIO HIGHWAY. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		LAND		2,500	
		DESIGN		4,500	
		CONSTRUCTION		7,500	8,500
		TOTAL FUNDING	TRN	2,900E	1,700E
			TRN	11,600N	6,800N
98.		KAUMUALII HIGHWAY IMPROVEMENTS, KAUAI			
		CONSTRUCTION OF HIGHWAY INTERSECTION IMPROVEMENTS AT KAUMUALII HIGHWAY AND MAHEA STREET FOR THE PROPOSED LIMA OLA AFFORDABLE HOUSING DEVELOPMENT PROJECT.			
		CONSTRUCTION		1,350	
		TOTAL FUNDING	TRN	1,350E	E
<b>TRN595 - HIGHWAYS ADMINISTRATION</b>					
99.	X225	HIGHWAYS DIVISION CAPITAL IMPROVEMENTS PROGRAM PROJECT STAFF COSTS, STATEWIDE			
		PLANS, LAND ACQUISITION, DESIGN AND CONSTRUCTION FOR COSTS RELATED TO WAGES AND FRINGES FOR PERMANENT PROJECT FUNDED STAFF POSITIONS FOR IMPLEMENTATION OF CAPITAL IMPROVEMENT PROGRAM PROJECTS FOR DEPARTMENT OF TRANSPORTATION'S HIGHWAYS DIVISION. PROJECTS MAY ALSO INCLUDE FUNDS FOR NON-PERMANENT CAPITAL IMPROVEMENT PROGRAM PROJECT RELATED POSITIONS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		PLANS		1	1
		LAND		1	1
		DESIGN		1	1
		CONSTRUCTION		23,997	23,997
		TOTAL FUNDING	TRN	16,000B	16,000B
			TRN	8,000N	8,000N

## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
100.	X098	IMPROVEMENTS TO INTERSECTIONS AND HIGHWAY FACILITIES, STATEWIDE			
		DESIGN AND CONSTRUCTION FOR MISCELLANEOUS IMPROVEMENTS TO EXISTING INTERSECTIONS AND HIGHWAY FACILITIES NECESSARY FOR TRAFFIC SAFETY. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		DESIGN		200	
		CONSTRUCTION			900
		TOTAL FUNDING	TRN	20E	90E
			TRN	180N	810N
101.	X227	ROCKFALL PROTECTION/SLOPE STABILIZATION AT VARIOUS LOCATIONS, STATEWIDE			
		DESIGN AND CONSTRUCTION FOR ROCKFALL/SLOPE PROTECTION AND SLOPE STABILIZATION MITIGATION MEASURES AT VARIOUS LOCATIONS STATEWIDE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		DESIGN		3,500	1,000
		CONSTRUCTION		2,250	
		TOTAL FUNDING	TRN	1,150E	200E
			TRN	4,600N	800N
102.	X097	MISCELLANEOUS DRAINAGE IMPROVEMENTS, STATEWIDE			
		CONSTRUCTION FOR DRAINAGE IMPROVEMENTS TO EXISTING HIGHWAY FACILITIES INCLUDING INSTALLATION OF DRAINAGE FACILITIES, CATCH BASINS, GRATED DROP INLETS, LINED SWALES, HEADWALLS AND CULVERTS AT VARIOUS LOCATIONS.			
		CONSTRUCTION			1,170
		TOTAL FUNDING	TRN	E	1,170E
103.	X222	SEISMIC RETROFIT OF VARIOUS BRIDGES, STATEWIDE			
		DESIGN AND CONSTRUCTION FOR SEISMIC RETROFIT OF VARIOUS BRIDGES STATEWIDE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		DESIGN		1,250	
		CONSTRUCTION			6,000
		TOTAL FUNDING	TRN	250E	1,200E
			TRN	1,000N	4,800N

## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
104.	X241	MAJOR PAVEMENT IMPROVEMENTS, STATEWIDE CONSTRUCTION FOR MAJOR PAVEMENT RECONSTRUCTION, RESURFACING, RESTORATION AND/OR REHABILITATION ALONG STATE ROUTES. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		CONSTRUCTION		30,000	30,000
		TOTAL FUNDING	TRN	6,000 E	6,000 E
			TRN	24,000 N	24,000 N
105.	Y100	ALIIMOKU HALE, ELEVATOR MODERNIZATION, STATEWIDE DESIGN AND CONSTRUCTION FOR ELEVATOR RENOVATION AND/OR REPLACEMENT AND OTHER RELATED TASKS.			
		DESIGN		110	
		CONSTRUCTION			1,200
		TOTAL FUNDING	TRN	110 E	1,200 E
106.	X243	ALIIMOKU BUILDING IMPROVEMENTS, STATEWIDE DESIGN AND CONSTRUCTION FOR VARIOUS IMPROVEMENTS FOR THE DEPARTMENT OF TRANSPORTATION'S MAIN OFFICE BUILDING.			
		DESIGN		200	
		CONSTRUCTION			1,400
		TOTAL FUNDING	TRN	200 E	1,400 E
107.	X099	HIGHWAY PLANNING, STATEWIDE PLANS FOR FEDERAL AID AND NON-FEDERAL AID PROGRAMS AND PROJECTS THAT INCLUDE ROADWAY CLASSIFICATION, DATA COLLECTION, LONG AND MID-RANGE PLANNING, TRANSPORTATION NEEDS STUDIES, RESEARCH, HRS 343/NEPA STUDIES, CORRIDOR STUDIES, SCOPING, AND TECHNOLOGY TRANSFER AND WORKFORCE DEVELOPMENT. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		PLANS		4,840	6,920
		TOTAL FUNDING	TRN	1,080 E	1,440 E
			TRN	3,760 N	5,480 N
108.	X235	MOTOR CARRIER SAFETY AND HIGHWAY SAFETY OFFICE FACILITY RENOVATIONS, STATEWIDE CONSTRUCTION TO RENOVATE AND REFURBISH EXISTING BUILDING STRUCTURES AND INSTALL MISCELLANEOUS SITE IMPROVEMENTS UNDER THE WAIMALU VIADUCT.			
		CONSTRUCTION		2,500	
		TOTAL FUNDING	TRN	2,500 E	E

## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
109.	X096	CLOSEOUT OF HIGHWAY RIGHTS-OF-WAY, STATEWIDE LAND ACQUISITION FOR COMPLETION OF ACQUISITION OF OUTSTANDING RIGHT-OF-WAY PARCELS ON PREVIOUSLY CONSTRUCTED PROJECTS OR PROJECTS WITH NECESSARY MITIGATIVE RESPONSES. ALSO, TO PROVIDE FOR THE TRANSFER OF REAL ESTATE INTERESTS FROM THE STATE TO THE COUNTIES FOR THE IMPLEMENTATION OF THE STATE HIGHWAY SYSTEM. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		LAND		300	
		TOTAL FUNDING	TRN	299 E	E
			TRN	1 N	N
110.	X226	CLOSEOUT OF HIGHWAY CONSTRUCTION PROJECTS, STATEWIDE CONSTRUCTION FOR COMPLETION OF OUTSTANDING CONSTRUCTION PROJECTS FOR POSTING OF AS-BUILT PLANS, OUTSTANDING UTILITY BILLINGS AND PAYMENTS TO OTHERS FOR PROJECT RELATED WORK. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		CONSTRUCTION		200	200
		TOTAL FUNDING	TRN	199 E	199 E
			TRN	1 N	1 N
111.	Y101	CLOSEOUT OF HIGHWAY DESIGN PROJECTS, STATEWIDE DESIGN FOR COMPLETION AND CLOSEOUT OF DESIGN PROJECTS IN ONGOING AND/OR CLOSING STAGES AND/OR REQUIRING FUNDS PREVIOUSLY IDENTIFIED AS NON-LAPSING. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		DESIGN		1,000	1,000
		TOTAL FUNDING	TRN	200 E	200 E
			TRN	800 N	800 N
112.	X200	TRAFFIC COUNTING STATIONS AT VARIOUS LOCATIONS, STATEWIDE CONSTRUCTION FOR INSTALLING TRAFFIC DETECTOR LOOPS AND PIEZOELECTRIC SENSORS, ASSOCIATED WIRING, JUNCTION BOXES AND TRAFFIC CABINETS FOR CONTINUOUS TRAFFIC MONITORING STATIONS AT VARIOUS LOCATIONS ON STATE ROADWAYS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		CONSTRUCTION		125	2,700
		TOTAL FUNDING	TRN	25 E	540 E
			TRN	100 N	2,160 N



CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
113.	X221	TRAFFIC SIGNAL MODERNIZATION AT VARIOUS LOCATIONS, STATEWIDE			
		DESIGN AND CONSTRUCTION FOR UPGRADING OF EXISTING TRAFFIC SIGNAL SYSTEMS, INCLUDING ASSESSMENT AND DEVELOPMENT OF CRITERIA FOR IMPLEMENTATION OF SCHEDULED REPLACEMENTS AND UPGRADES; PROVIDING INTERCONNECTION OF SIGNALIZED INTERSECTIONS; AND UPGRADING TO MEET CURRENT STANDARDS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		DESIGN		1,000	
		CONSTRUCTION			6,000
		TOTAL FUNDING	TRN	1,000 E	1,200 E
			TRN	N	4,800 N
114.	X230	BIKEWAY IMPROVEMENTS AT VARIOUS LOCATIONS, STATEWIDE			
		DESIGN AND CONSTRUCTION TO PROVIDE FOR AND IMPROVE EXISTING BICYCLE FACILITIES ON STATE HIGHWAYS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		DESIGN			50
		CONSTRUCTION		2,250	
		TOTAL FUNDING	TRN	150 E	50 E
			TRN	2,100 N	N
115.	Y102	SIGN RETROREFLECTIVITY PROGRAM, STATEWIDE			
		PLANS FOR THE DEVELOPMENT OF A STATEWIDE SIGN RETROREFLECTIVITY PROGRAM.			
		PLANS		500	
		TOTAL FUNDING	TRN	500 E	E
116.	Y103	HIGHWAYS DIVISION ENERGY CONSERVATION MEASURE, STATEWIDE			
		CONSTRUCTION FOR ENERGY CONSERVATION MEASURES INCLUDING LIGHTING UPGRADES, INSTALLATION OF ALTERNATIVE ENERGY SYSTEMS, REPLACEMENT AND/OR UPGRADES OF AIR CONDITIONING SYSTEMS, AND OTHER ENERGY CONSERVATION MEASURES.			
		CONSTRUCTION		15,500	
		TOTAL FUNDING	TRN	15,500 E	E

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017

D. ENVIRONMENTAL PROTECTION

HTH840 - ENVIRONMENTAL MANAGEMENT

1.	840161	WASTEWATER TREATMENT REVOLVING FUND FOR POLLUTION CONTROL, STATEWIDE				
		CONSTRUCTION TO PROVIDE STATE MATCH (20%) FOR FEDERAL CAPITALIZATION GRANTS FOR WASTEWATER PROJECTS. FUNDS TO BE TRANSFERRED TO THE WATER POLLUTION CONTROL REVOLVING FUND PURSUANT TO CHAPTER 342D, HRS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION			13,031	13,031
		TOTAL FUNDING	HTH		2,172C	2,172C
			HTH		10,859N	10,859N
2.	840162	SAFE DRINKING WATER REVOLVING FUND, STATEWIDE				
		CONSTRUCTION TO PROVIDE STATE MATCH (20%) FOR FEDERAL CAPITALIZATION GRANTS FOR DRINKING WATER PROJECTS. FUNDS TO BE TRANSFERRED TO THE DRINKING WATER TREATMENT REVOLVING FUND LOAN, PURSUANT TO CHAPTER 340E, HRS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION			10,614	10,614
		TOTAL FUNDING	HTH		1,769C	1,769C
			HTH		8,845N	8,845N

LNR402 - NATIVE RESOURCES AND FIRE PROTECTION PROGRAM

3.	D01E	DOFAW BASEYARD IMPROVEMENTS, STATEWIDE				
		PLANS, DESIGN AND CONSTRUCTION FOR IMPROVEMENTS AT DIVISION OF FORESTRY AND WILDLIFE BASEYARD FACILITIES.				
		PLANS			1	
		DESIGN			1	1
		CONSTRUCTION			748	74
		TOTAL FUNDING	LNR		750C	75C
4.	D02M	DOFAW EMERGENCY AND NATURAL DISASTER RESPONSE INFRASTRUCTURE, STATEWIDE				
		PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT TO PROVIDE STATEWIDE SUPPORT FOR FIRE AND NATURAL DISASTER RESPONSE.				
		PLANS			1	1
		DESIGN			1	1
		CONSTRUCTION			997	672
		EQUIPMENT			1	1
		TOTAL FUNDING	LNR		1,000C	675C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
5.	D02N	FLOOD AND HAZARD ENVIRONMENTAL ABATEMENT, OAHU PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT TO MAINTAIN, REPAIR OR CONSTRUCT IMPROVEMENTS TO CONTROL VARIOUS FLOOD OR ENVIRONMENTAL HAZARDS.			
		PLANS		1	1
		DESIGN		1	1
		CONSTRUCTION		247	247
		EQUIPMENT		1	1
		TOTAL FUNDING LNR		250C	250C
6.		KAWAINUI ENVIRONMENTAL RESTORATION PROJECT, OAHU DESIGN AND CONSTRUCTION OF ENVIRONMENTAL CLEANUP, WILDLIFE HABITAT RESTORATION, AND MANAGEMENT FACILITY ENHANCEMENTS.			
		DESIGN		200	50
		CONSTRUCTION		1,300	1,150
		TOTAL FUNDING LNR		1,500C	1,200C
7.		HAWAII WILDLIFE CENTER, HAWAII CONSTRUCTION FOR THE FABRICATION AND INSTALLATION OF EXHIBITS AT THE HAWAII WILDLIFE CENTER AND THREE YEARS OF OPERATIONAL RESERVE TO SUPPORT THE EXHIBITS WHILE STAFF CONTINUES TO DEVELOP LONG-TERM REVENUE SOURCES FOR FINANCIAL SUSTAINABILITY. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		CONSTRUCTION		100	
		TOTAL FUNDING LNR		100C	C
<b>LNR405 - CONSERVATION AND RESOURCES ENFORCEMENT</b>					
8.		HANAHANAPUNI FIRING RANGE PROJECT, KAUAI PLANS AND DESIGN FOR A FIRING RANGE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		PLANS		1	
		DESIGN		1,623	
		TOTAL FUNDING LNR		424C	C
				1,200N	N

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F

LNR407 - NATURAL AREA RESERVES AND WATERSHED MANAGEMENT

9.	D01A	WATERSHED INITIATIVE, STATEWIDE DESIGN AND CONSTRUCTION FOR DLNR DIVISION OF FORESTRY AND WILDLIFE WATERSHED INITIATIVE FUNDING SUPPORT FOR WATERSHED PROTECTION, MANAGEMENT AND ADMINISTRATION. THE LEGISLATURE FINDS AND DECLARES THAT THIS APPROPRIATION IS IN THE PUBLIC INTEREST AND FOR THE PUBLIC'S HEALTH, SAFETY AND GENERAL WELFARE OF THE STATE.				
		DESIGN			1	1
		CONSTRUCTION			999	999
		TOTAL FUNDING	LNR		1,000 C	1,000 C
10.		TANTALUS AND ROUNDTOP, OAHU PLANS FOR THE DEVELOPMENT OF TANTALUS AND ROUNDTOP DRIVE MASTER PLAN.				
		PLANS			450	
		TOTAL FUNDING	LNR		450 C	C
11.		HAMAKUA MARSH, OAHU DESIGN FOR A SHARED-USE PATHWAY AT HAMAKUA MARSH.				
		DESIGN			1,500	
		TOTAL FUNDING	LNR		1,500 C	C

LNR906 - LNR - NATURAL AND PHYSICAL ENVIRONMENT

12.	G01CS	CAPITAL IMPROVEMENTS PROGRAM STAFF COSTS, STATEWIDE PLANS FOR COSTS RELATED TO WAGES AND FRINGES FOR PERMANENT PROJECT FUNDED STAFF POSITIONS FOR THE IMPLEMENTATION OF CAPITAL IMPROVEMENT PROGRAM PROJECTS FOR THE DEPARTMENT OF LAND AND NATURAL RESOURCES. PROJECT MAY INCLUDE FUNDS FOR NON-PERMANENT CAPITAL IMPROVEMENT PROGRAM RELATED POSITIONS.				
		PLANS			3,197	3,253
		TOTAL FUNDING	LNR		3,197 C	3,253 C
13.	J43	MAUI OFFICE ANNEX BUILDING, MAUI DESIGN AND CONSTRUCTION FOR REPLACEMENT BUILDING AND RELATED IMPROVEMENTS TO SUPPORT VARIOUS DEPARTMENTAL DIVISIONS AND PROGRAMS.				
		DESIGN			1	
		CONSTRUCTION			3,999	
		TOTAL FUNDING	LNR		4,000 C	C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
14.	J00E	KAHOOLAWE ISLAND RESERVE COMMISSION, HAWAII PLANS AND DESIGN FOR AN EDUCATION CENTER, EXHIBIT AREA/VISITOR CENTER AND ADMINISTRATIVE BUILDING.			
		PLANS		1	
		DESIGN		499	
		TOTAL FUNDING	LNR	500C	C
15.		WAIAKEA UKA COMMUNITY CENTER, HAWAII PLANS, LAND ACQUISITION AND DESIGN FOR A COMMUNITY CENTER IN WAIAKEA UKA.			
		PLANS		1	
		LAND		1	
		DESIGN		598	
		TOTAL FUNDING	LNR	600C	C
<b>E. HEALTH</b>					
<b>HTH212 - HAWAII HEALTH SYSTEMS CORPORATION - REGIONS</b>					
1.	212001	HAWAII HEALTH SYSTEMS CORPORATION, LUMP SUM CIP, STATEWIDE PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT FOR REPAIRS, MAINTENANCE, UPGRADES AND IMPROVEMENTS TO INCLUDE HEALTH AND SAFETY PROJECTS FOR THE HAWAII HEALTH SYSTEMS CORPORATION.			
		PLANS		1	1
		DESIGN		1	1
		CONSTRUCTION		19,997	11,997
		EQUIPMENT		1	1
		TOTAL FUNDING	HTH	20,000C	12,000C
<b>HTH907 - GENERAL ADMINISTRATION</b>					
2.	907161	DEPARTMENT OF HEALTH, HEALTH AND SAFETY, STATEWIDE DESIGN AND CONSTRUCTION FOR IMPROVEMENTS TO HEALTH FACILITIES STATEWIDE. PROJECTS ARE NECESSARY TO MAINTAIN HEALTH AND SAFETY FOR CLIENTS AND STAFF.			
		DESIGN		1	1
		CONSTRUCTION		3,558	58
		TOTAL FUNDING	AGS	3,559C	59C
3.		NATIONAL KIDNEY FOUNDATION OF HAWAII, OAHU PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION AND EQUIPMENT FOR A PROGRAM DEVELOPMENT CENTER. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		PLANS		1	
		LAND		1	
		DESIGN		200	
		CONSTRUCTION		1,797	
		EQUIPMENT		1	
		TOTAL FUNDING	HTH	2,000C	C

## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F	
4.		ST. FRANCIS HEALTHCARE FOUNDATION OF HAWAII, OAHU				
		CONSTRUCTION FOR RENOVATIONS TO COMMERCIAL KITCHEN AND DINING AREA TO SERVE SKILLED NURSING FACILITY, HOSPICE PATIENTS, AND SENIORS AND FAMILIES ACCESSING LILIHA CAMPUS SERVICES. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		CONSTRUCTION			500	
		TOTAL FUNDING	HTH		500C	C
5.		WAIMANALO HEALTH CENTER, OAHU				
		CONSTRUCTION FOR A NEW TWO-STORY OUTPATIENT CARE FACILITY WHICH INCLUDES: MEDICAL, BEHAVIORAL HEALTH THERAPY, VISION, PHARMACY, NUTRITION CLASSES, AND SUPPORT SERVICES. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		CONSTRUCTION			500	
		TOTAL FUNDING	HTH		500C	C
<b>F. SOCIAL SERVICES</b>						
<b>HMS301 - CHILD PROTECTIVE SERVICES</b>						
1.		HOOMANA, KAUAI				
		CONSTRUCTION FOR RENOVATIONS FOR THE TRAINING CENTER FACILITY. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		CONSTRUCTION			88	
		TOTAL FUNDING	HMS		88C	C
<b>DEF112 - SERVICES TO VETERANS</b>						
2.		VA LONG-TERM CARE FACILITY, OAHU				
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION AND EQUIPMENT FOR A NEW LONG-TERM CARE FACILITY. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		PLANS				1
		LAND				1
		DESIGN				1
		CONSTRUCTION				58,506
		EQUIPMENT				4,304
		TOTAL FUNDING	DEF			25,384C
			DEF			37,429N

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3.		OAHU VETERANS COUNCIL, OAHU				
		CONSTRUCTION FOR FINAL PHASE OF THE OAHU VETERANS CENTER LOCATED AT FOSTER VILLAGE. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		CONSTRUCTION			75	
		TOTAL FUNDING	DEF		75C	C

HMS220 - RENTAL HOUSING SERVICES

4.	HPHA23	LUMP SUM PUBLIC HOUSING DEVELOPMENT, IMPROVEMENTS, AND RENOVATIONS, STATEWIDE				
		PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT TO DEVELOP, UPGRADE OR RENOVATE PUBLIC HOUSING FACILITIES. INCLUDING GROUND AND SITE IMPROVEMENTS, INFRASTRUCTURE, EQUIPMENT, APPURTENANCES AND ALL RELATED AND ASSOCIATED PROJECT COSTS FOR PUBLIC HOUSING DEVELOPMENT, IMPROVEMENTS, AND RENOVATIONS, STATEWIDE. INCLUDING FUNDS FOR PERMANENT AND NON-PERMANENT CIP PROJECT RELATED POSITIONS.				
		PLANS			1	1
		DESIGN			1	1
		CONSTRUCTION			4,147	4,147
		EQUIPMENT			1	1
		TOTAL FUNDING	HMS		4,150C	4,150C

5.		HAWAII PUBLIC HOUSING AUTHORITY, STATEWIDE				
		PLANS FOR COSTS RELATED TO WAGES AND FRINGE BENEFITS FOR PERMANENT AND NON-PERMANENT PROJECT FUNDED STAFF POSITIONS FOR IMPLEMENTATION OF CAPITAL IMPROVEMENT PROGRAM PROJECTS FOR THE HAWAII PUBLIC HOUSING AUTHORITY. FUNDS MAY BE USED TO MATCH FEDERAL AND NON-STATE FUNDS AS MAY BE AVAILABLE.				
		PLANS			850	850
		TOTAL FUNDING	HMS		850C	850C

HHL602 - PLANNING AND DEVELOPMENT FOR HAWAIIAN HOMESTEADS

6.	P11002	PAPAKOLEA SEWER SYSTEM UPGRADES, PAPAKOLEA, OAHU				
		PLANS, DESIGN AND CONSTRUCTION TO REBUILD EXISTING SEWER SYSTEM IN DHHL PAPAKOLEA SUBDIVISION.				
		PLANS			1	1
		DESIGN			1	1
		CONSTRUCTION			1,748	1,998
		TOTAL FUNDING	HHL		1,750C	2,000C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
7.	1604	NAHASDA DEVELOPMENT PROJECTS, STATEWIDE			
		PLANS, DESIGN AND CONSTRUCTION FOR VARIOUS HAWAIIAN HOMESTEAD PROJECTS AND IMPROVEMENTS STATEWIDE, PURSUANT TO THE NATIVE AMERICAN HOUSING ASSISTANCE AND SELF-DETERMINATION ACT, PUBLIC LAW 107-73, 107TH CONGRESS. FUNDS NOT NEEDED IN A COST ELEMENT MAY BE USED IN ANOTHER. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		PLANS		1	1
		DESIGN		1	1
		CONSTRUCTION		19,998	19,998
		TOTAL FUNDING	HHL	20,000 N	20,000 N
8.	1607	KAILAPA COMMUNITY ASSOCIATION, HAWAII			
		PLANS, DESIGN AND CONSTRUCTION FOR THE KAILAPA COMMUNITY RESOURCE CENTER. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		313	
		TOTAL FUNDING	HHL	315 C	C
9.	1606	KALAMAULA HOMESTEADERS ASSOCIATION, MOLOKAI			
		PLANS, DESIGN AND CONSTRUCTION FOR REDEVELOPMENT OF THE KIOWEA PARK FACILITIES. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		498	
		TOTAL FUNDING	HHL	500 C	C

G. FORMAL EDUCATION

EDN100 - SCHOOL-BASED BUDGETING

1.	3	LUMP SUM CIP - CONDITION, STATEWIDE			
		PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT TO MAINTAIN AND IMPROVE FACILITIES AND INFRASTRUCTURE, INCLUDING HAZARDOUS MATERIALS REMEDIATION; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		PLANS		1	1
		DESIGN		22,000	2,000
		CONSTRUCTION		111,998	63,998
		EQUIPMENT		1	1
		TOTAL FUNDING	EDN	134,000 C	66,000 C



CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
2.		LUMP SUM CIP- EQUITY, STATEWIDE			
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION AND EQUIPMENT FOR EQUITY, INCLUDING RENOVATION, EXPANSION AND/OR REPLACEMENT OF FACILITIES; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		PLANS		1	1
		LAND		1	1
		DESIGN		1	1
		CONSTRUCTION		15,309	2,951
		EQUIPMENT		1	1
		TOTAL FUNDING	EDN	15,313 C	2,955 C
3.		LUMP SUM CIP- PROGRAM SUPPORT, STATEWIDE			
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION AND EQUIPMENT FOR PROGRAM SUPPORT INCLUDING NEW FACILITIES, TEMPORARY FACILITIES, AND IMPROVEMENTS AND/OR ADDITIONS TO EXISTING FACILITIES; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		PLANS		1	1
		LAND		1	1
		DESIGN		1	1
		CONSTRUCTION		16,496	996
		EQUIPMENT		1	1
		TOTAL FUNDING	EDN	16,500 C	1,000 C
4.		LUMP SUM CIP - CAPACITY, STATEWIDE			
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION AND EQUIPMENT FOR CAPACITY; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		PLANS		1	
		LAND		1	
		DESIGN		1	
		CONSTRUCTION		9,996	
		EQUIPMENT		1	
		TOTAL FUNDING	EDN	10,000 C	C
5.		LUMP SUM CIP- PROJECT ADJUSTMENT FUND, STATEWIDE			
		DESIGN FOR A CONTINGENCY FUND FOR PROJECT ADJUSTMENT PURPOSES SUBJECT TO THE PROVISIONS OF THE APPROPRIATIONS ACT. OTHER DEPARTMENT OF EDUCATION PROJECTS WITHIN THIS ACT WITH UNREQUIRED BALANCES MAY BE TRANSFERRED INTO THIS PROJECT.			
		DESIGN		1	1
		TOTAL FUNDING	EDN	1 C	1 C

## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
6.		AIEA INTERMEDIATE SCHOOL, OAHU DESIGN, CONSTRUCTION AND EQUIPMENT FOR AN APPLIED TECHNOLOGY CENTER, GROUND AND SITE IMPROVEMENTS, EQUIPMENT AND APPURTENANCES.			
		DESIGN		300	
		CONSTRUCTION		2,800	
		EQUIPMENT		100	
		TOTAL FUNDING EDN		3,200C	C
7.		ALA WAI ELEMENTARY SCHOOL, OAHU CONSTRUCTION AND EQUIPMENT FOR THE RENOVATION OF THE INNOVATION CENTER.			
		CONSTRUCTION		179	
		EQUIPMENT		1	
		TOTAL FUNDING EDN		180C	C
8.		ALA WAI ELEMENTARY SCHOOL; REROOF CAFETERIA BUILDING, OAHU DESIGN AND CONSTRUCTION TO REROOF THE CAFETERIA BUILDING			
		DESIGN		40	
		CONSTRUCTION		210	
		TOTAL FUNDING EDN		250C	C
9.		ANUENUE HAWAIIAN IMMERSION SCHOOL, OAHU PLANS, DESIGN AND CONSTRUCTION FOR A FREE-STANDING LOCKER, SHOWER ROOM AND COVERED PLAY COURT.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		348	
		TOTAL FUNDING EDN		350C	C
10.		AUGUST AHRENS ELEMENTARY SCHOOL, OAHU CONSTRUCTION FOR ELECTRICAL UPGRADES.			
		CONSTRUCTION		750	
		TOTAL FUNDING EDN		750C	C
11.		CASTLE HIGH SCHOOL, OAHU CONSTRUCTION FOR THE EXPANSION OF THE CAFETERIA; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		CONSTRUCTION		4,117	
		TOTAL FUNDING EDN		4,117C	C
12.		CENTRAL MIDDLE SCHOOL, OAHU PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT FOR THE REPAINTING OF ALL BUILDINGS AND STRUCTURES OF THE SCHOOL.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		297	
		EQUIPMENT		1	
		TOTAL FUNDING EDN		300C	C

## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
13.		CENTRAL MIDDLE SCHOOL, OAHU			
		PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT FOR THE REPAVING AND RESURFACING OF THE KUKUI PARKING LOT, ADMINISTRATION PARKING LOT AND THE QUEEN EMMA PARKING LOT.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		307	
		EQUIPMENT		1	
		TOTAL FUNDING	EDN	310C	C
14.		DOLE MIDDLE SCHOOL, OAHU			
		PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT FOR THE IMPROVEMENT OF SCHOOL FACILITIES.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		1,997	
		EQUIPMENT		1	
		TOTAL FUNDING	EDN	2,000C	C
15.		EWA BEACH ELEMENTARY SCHOOL, OAHU			
		PLANS, DESIGN AND CONSTRUCTION FOR A/C AND ELECTRICAL UPGRADES FOR ENTIRE SCHOOL.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		1,998	
		TOTAL FUNDING	EDN	2,000C	C
16.		EWA ELEMENTARY SCHOOL, OAHU			
		PLANS, DESIGN AND CONSTRUCTION FOR A/C AND ELECTRICAL UPGRADES FOR BUILDINGS C & D.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		778	
		TOTAL FUNDING	EDN	780C	C
17.		FARRINGTON HIGH SCHOOL, OAHU			
		PLANS, DESIGN AND CONSTRUCTION FOR CAMPUS MODERNIZATION.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		998	
		TOTAL FUNDING	EDN	1,000C	C
18.		HILO INTERMEDIATE SCHOOL, HAWAII			
		PLANS AND DESIGN FOR BUILDING A RENOVATIONS PHASE I.			
		PLANS		1	
		DESIGN		1,999	
		TOTAL FUNDING	EDN	2,000C	C

CAPITAL IMPROVEMENT PROJECTS

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				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
19.		HONOWAI ELEMENTARY SCHOOL, OAHU CONSTRUCTION FOR PHASE IB OF THE ADMINISTRATIVE BUILDING. CONSTRUCTION		2,373	
		TOTAL FUNDING	EDN	2,373 C	C
20.		ILIMA INTERMEDIATE AND KAIMILOA ELEMENTARY HEAT ABATEMENT IMPROVEMENTS, OAHU DESIGN AND CONSTRUCTION FOR AIR CONDITIONING FOR CAMPUS WIDE HEAT ABATEMENT; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.		500	
		CONSTRUCTION		4,500	
		TOTAL FUNDING	EDN	5,000 C	C
21.		JEFFERSON ELEMENTARY SCHOOL, OAHU CONSTRUCTION FOR PHOTOVOLTAIC SYSTEM FOR THE AQUAPONICS SYSTEM. CONSTRUCTION		150	
		TOTAL FUNDING	EDN	150 C	C
22.		JEFFERSON ELEMENTARY SCHOOL, OAHU DESIGN AND CONSTRUCTION FOR FENCE REPLACEMENT. DESIGN		4	
		CONSTRUCTION		56	
		TOTAL FUNDING	EDN	60 C	C
23.		KAAAWA ELEMENTARY SCHOOL PORTABLE ADMINISTRATION BUILDING, OAHU CONSTRUCTION FOR THE CURRENT PORTABLE ADMINISTRATIVE SPACE IS SUBSTANDARD, SMALL, AND NOT FUNCTIONAL, AS WELL AS INFECTED WITH MOLD AND ASBESTOS. THIS WILL PROVIDE KA'A'AWA ELEMENTARY SCHOOL WITH A NEW PORTABLE ADMINISTRATION BUILDING THAT CAN MORE PROPERLY AND SAFELY ADDRESS THEIR NEEDS.		800	
		CONSTRUCTION		800 C	C
24.		KAIMUKI HIGH SCHOOL, OAHU PLANS, DESIGN AND CONSTRUCTION FOR PHASE II TO PAVE GRAVEL PARKING LOT OF THE GYM. PLANS		1	
		DESIGN		1	
		CONSTRUCTION		998	
		TOTAL FUNDING	EDN	1,000 C	C

## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
25.		KAIMUKI MIDDLE SCHOOL, OAHU			
		PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT FOR CONVERSION OF V BUILDING CLASSROOM 1 INTO SCIENCE LAB; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		597	
		EQUIPMENT		1	
		TOTAL FUNDING	EDN	600 C	C
26.		KALAHEO HIGH SCHOOL, CAMPUS REWIRE FIRE ALARM, OAHU			
		CONSTRUCTION FOR CAMPUS REWIRE FIRE ALARM SYSTEM FOR KALAHEO HIGH SCHOOL.			
		CONSTRUCTION		240	
		TOTAL FUNDING	EDN	240 C	C
27.		KALANI HIGH SCHOOL, OAHU			
		CONSTRUCTION FOR A MULTI-PURPOSE ATHLETIC FACILITY, INCLUDING GIRLS LOCKER ROOM AND SHOWER AREAS WHICH CONFORM TO TITLE IX REQUIREMENTS.			
		CONSTRUCTION		3,500	
		TOTAL FUNDING	EDN	3,500 C	C
28.		KALEIOPUU ELEMENTARY SCHOOL, OAHU			
		DESIGN AND CONSTRUCTION FOR A NEW COVERED WALKWAY FROM THE CAFETERIA TO BUILDING D.			
		DESIGN		1	
		CONSTRUCTION		1,449	
		TOTAL FUNDING	EDN	1,450 C	C
29.		KALIHI UKA ELEMENTARY SCHOOL, OAHU			
		PLANS, CONSTRUCTION AND EQUIPMENT FOR PURCHASE AND INSTALLATION OF CEILING FANS IN CLASSROOMS.			
		PLANS		5	
		CONSTRUCTION		10	
		EQUIPMENT		5	
		TOTAL FUNDING	EDN	20 C	C
30.		KAPOLEI MIDDLE SCHOOL, OAHU			
		PLANS AND DESIGN FOR ADDITIONAL PARKING.			
		PLANS		1	
		DESIGN		99	
		TOTAL FUNDING	EDN	100 C	C

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				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
31.		KAPOLEI MIDDLE SCHOOL, OAHU			
		DESIGN AND CONSTRUCTION FOR NEW BUS LANES AND DROP OFF ZONES; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		DESIGN		250	
		CONSTRUCTION		1,550	
		TOTAL FUNDING EDN		1,800C	C
32.		KEALAKEHE ELEMENTARY SCHOOL, HAWAII			
		CONSTRUCTION FOR GROUND AND SITE IMPROVEMENTS FOR ADDITIONAL PARKING.			
		CONSTRUCTION		300	
		TOTAL FUNDING EDN		300C	C
33.		KEONEPOKO ELEMENTARY SCHOOL, HAWAII			
		PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT FOR THE TRANSITION FROM KEAAU ELEMENTARY SCHOOL TO KEONEPOKO ELEMENTARY SCHOOL.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		997	
		EQUIPMENT		1	
		TOTAL FUNDING EDN		1,000C	C
34.		KING INTERMEDIATE SCHOOL, OAHU			
		PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT FOR REPAIR AND MAINTENANCE OF BUILDING C BATHROOM PIPES AND CEILING.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		347	
		EQUIPMENT		1	
		TOTAL FUNDING EDN		350C	C
35.		KING KEKAULIKE HIGH SCHOOL, MAUI			
		DESIGN, CONSTRUCTION AND EQUIPMENT FOR TRACK AND FIELD.			
		DESIGN		1	
		CONSTRUCTION		998	
		EQUIPMENT		1	
		TOTAL FUNDING EDN		1,000C	C
36.		KULA ELEMENTARY SCHOOL, MAUI			
		PLANS, DESIGN AND CONSTRUCTION FOR A WATER FILTRATION SYSTEM.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		498	
		TOTAL FUNDING EDN		500C	C

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ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
37.		LAHAINALUNA HIGH SCHOOL, MAUI			
		CONSTRUCTION AND EQUIPMENT FOR A NEW 8 CLASSROOM BUILDING; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		CONSTRUCTION		9,910	
		EQUIPMENT		90	
		TOTAL FUNDING	EDN	10,000C	C
38.		LANAKILA ELEMENTARY SCHOOL, OAHU			
		CONSTRUCTION FOR THE INSTALLATION OF A GATE AT THE CORNER OF ALANEO STREET AND KUAKINI STREET; BUILDING OF A WALKWAY FROM THE SIDEWALK TO THE PARKING LOT ACROSS THE STOP SIGN OUTSIDE THE CAFETERIA; AND PAINTING OF A CROSSWALK FROM THE BOTTOM OF THE WALKWAY TO THE CAFETERIA ENTRANCE.			
		CONSTRUCTION		5	
		TOTAL FUNDING	EDN	5C	C
39.		LEILEHUA HIGH SCHOOL, OAHU			
		PLANS AND DESIGN OF NEW SCIENCE/ CLASSROOM BUILDING.			
		PLANS		1	
		DESIGN		999	
		TOTAL FUNDING	EDN	1,000C	C
40.		LIHOLIHO ELEMENTARY SCHOOL, OAHU			
		PLANS, DESIGN AND CONSTRUCTION FOR EXPANSION OF 8TH AVENUE PARKING LOT.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		248	
		TOTAL FUNDING	EDN	250C	C
41.		LINCOLN ELEMENTARY SCHOOL, OAHU			
		CONSTRUCTION AND EQUIPMENT TO RENOVATE PLAYGROUND.			
		CONSTRUCTION		4	
		EQUIPMENT		1	
		TOTAL FUNDING	EDN	5C	C
42.		LUNALILO ELEMENTARY SCHOOL, OAHU			
		DESIGN, CONSTRUCTION AND EQUIPMENT FOR ELECTRICAL SYSTEM UPGRADE.			
		DESIGN		1	
		CONSTRUCTION		498	
		EQUIPMENT		1	
		TOTAL FUNDING	EDN	500C	C

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				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
43.		LUNALILO ELEMENTARY SCHOOL, OAHU DESIGN, CONSTRUCTION AND EQUIPMENT FOR THE RENOVATION OF THE PLAYGROUND.			
		DESIGN		1	
		CONSTRUCTION		48	
		EQUIPMENT		1	
		TOTAL FUNDING EDN		50C	C
44.		LUNALILO ELEMENTARY SCHOOL, OAHU PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT FOR ELECTRICAL UPGRADES TO BRING MORE POWER INTO THE SCHOOL, ADDITION OF OUTLETS TO EACH CLASSROOM AND UPDATING OF OVERALL SCHOOL WIRING SYSTEM.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		307	
		EQUIPMENT		1	
		TOTAL FUNDING EDN		310C	C
45.		MAEMAE ELEMENTARY SCHOOL, OAHU PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT FOR THE RENOVATION AND EXPANSION OF BASKETBALL COURTS, INCLUDING THE ADDITION OF A COVERED SHELTER AND SECURITY.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		1,497	
		EQUIPMENT		1	
		TOTAL FUNDING EDN		1,500C	C
46.		MAKAKILO ELEMENTARY SCHOOL, OAHU PLANS, DESIGN AND CONSTRUCTION FOR COMPLIANCE WITH THE AMERICANS WITH DISABILITY ACT TRANSITION ACCESSIBILITY.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		1,043	
		TOTAL FUNDING EDN		1,045C	C
47.		MAKAWAO ELEMENTARY SCHOOL, MAUI DESIGN AND CONSTRUCTION OF COVERED PLAY COURT.			
		DESIGN		1	
		CONSTRUCTION		1,999	
		TOTAL FUNDING EDN		2,000C	C
48.		MANOA ELEMENTARY SCHOOL, OAHU PLANS AND CONSTRUCTION FOR PLAYGROUND IMPROVEMENTS AND UPGRADES.			
		PLANS		1	
		CONSTRUCTION		999	
		TOTAL FUNDING EDN		1,000C	C



## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
49.		MAUI HIGH SCHOOL, MAUI CONSTRUCTION FOR WEIGHT TRAINING AND WRESTLING ROOMS; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		CONSTRUCTION		2,700	
		TOTAL FUNDING EDN		2,700C	C
50.		MAUI HIGH SCHOOL, MAUI CONSTRUCTION TO RENOVATE AND EXPAND THE BAND/CHOIR BUILDING INCLUDING ADDITIONAL STORAGE; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		CONSTRUCTION		2,000	
		TOTAL FUNDING EDN		2,000C	C
51.		MAUI HIGH SCHOOL, MAUI DESIGN AND CONSTRUCTION TO REPLACE AND EXPAND THE GYMNASIUM FLOOR TO FACILITATE CROSS PLAY.			
		DESIGN		1	
		CONSTRUCTION		214	
		TOTAL FUNDING EDN		215C	C
52.		MAYOR JOSEPH FERN ELEMENTARY SCHOOL, OAHU CONSTRUCTION FOR COVERED WALKWAY AND HIGH FENCING FROM BUILDING B TO THE SIDE OF THE CAFETERIA.			
		CONSTRUCTION		136	
		TOTAL FUNDING EDN		136C	C
53.		MILILANI MIDDLE SCHOOL, OAHU PLANS AND DESIGN FOR FIFTEEN CLASSROOM BUILDINGS; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		PLANS			1
		DESIGN			1,499
		TOTAL FUNDING EDN		C	1,500C
54.		MILILANI UKA ELEMENTARY SCHOOL, OAHU DESIGN AND CONSTRUCTION TO COMPLETE A SCHOOL-WIDE ELECTRICAL UPGRADE.			
		DESIGN		1	
		CONSTRUCTION		499	
		TOTAL FUNDING EDN		500C	C
55.		MOANALUA HIGH SCHOOL, OAHU DESIGN, CONSTRUCTION AND EQUIPMENT FOR SECOND PHASE OF PERFORMING ARTS CENTER.			
		DESIGN		1	
		CONSTRUCTION		9,898	
		EQUIPMENT		1	
		TOTAL FUNDING EDN		9,900C	C

## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
56.		MOLOKAI HIGH SCHOOL, MOLOKAI PLANS, DESIGN AND CONSTRUCTION FOR RENOVATION OF THE GYM/EMERGENCY SHELTER, AND EQUIPMENT.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		3,498	
		TOTAL FUNDING EDN		3,500C	C
57.		MOUNTAIN VIEW ELEMENTARY SCHOOL, HAWAII CONSTRUCTION FOR DRAINAGE IMPROVEMENTS AND RAISED COVERED WALKWAY.			
		CONSTRUCTION		230	
		TOTAL FUNDING EDN		230C	C
58.		NEW ELEMENTARY SCHOOL IN KAKAAKO, OAHU DESIGN FOR A NEW ELEMENTARY SCHOOL IN THE KAKAAKO AREA.			
		DESIGN		1	
		TOTAL FUNDING EDN		1C	C
59.		NOELANI ELEMENTARY SCHOOL, OAHU PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT TO EXPAND, RENOVATE, AND IMPROVE THE LIBRARY, INCLUDING REROOFING, NEW WINDOWS, AIR CONDITIONING SYSTEM REPLACEMENT, AND PORTABLE AIR CONDITIONERS FOR NEARBY CLASSROOMS DURING CONSTRUCTION; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		PLANS		10	
		DESIGN		50	
		CONSTRUCTION		590	
		EQUIPMENT		150	
		TOTAL FUNDING EDN		800C	C
60.		PALISADES ELEMENTARY SCHOOL, OAHU DESIGN AND CONSTRUCTION FOR PARKING EXPANSION AND RETAINING WALL; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		DESIGN		1	
		CONSTRUCTION		1,099	
		TOTAL FUNDING EDN		1,100C	C
61.		PALOLO ELEMENTARY SCHOOL, OAHU PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT FOR NEW PLAYGROUND; SURFACING; REMOVAL OF EXISTING EQUIPMENT.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		97	
		EQUIPMENT		1	
		TOTAL FUNDING EDN		100C	C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
62.		PEARL CITY ELEMENTARY SCHOOL, OAHU			
		DESIGN AND CONSTRUCTION FOR ELECTRICAL UPGRADES FOR TEN CLASSROOMS.			
		DESIGN		1	
		CONSTRUCTION		1,999	
		TOTAL FUNDING	EDN	2,000	C
63.		PEARL RIDGE ELEMENTARY SCHOOL, OAHU			
		DESIGN AND CONSTRUCTION FOR AIR CONDITIONING OF BUILDINGS H AND J; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		DESIGN		325	
		CONSTRUCTION		2,155	
		TOTAL FUNDING	EDN	2,480	C
64.		PUKALANI ELEMENTARY SCHOOL, MAUI			
		DESIGN, CONSTRUCTION AND EQUIPMENT FOR LANDSCAPING.			
		DESIGN		1	
		CONSTRUCTION		360	
		EQUIPMENT		1	
		TOTAL FUNDING	EDN	362	C
65.		RADFORD HIGH SCHOOL, OAHU			
		DESIGN, CONSTRUCTION AND EQUIPMENT TO RENOVATE THE FORMER THEATRE LAB TO A NEW MULTI-MEDIA LAB; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		DESIGN		250	
		CONSTRUCTION		2,749	
		EQUIPMENT		1	
		TOTAL FUNDING	EDN	3,000	C
66.		SENATE DISTRICT 2 SCHOOLS LAPTOP COMPUTERS AND INFRASTRUCTURE, HAWAII			
		PLANS, CONSTRUCTION AND EQUIPMENT FOR LAPTOP COMPUTERS AND INSTALLATION OF NEEDED INFRASTRUCTURE (HORIZONTAL CABLING) IN SENATE DISTRICT 2 SCHOOLS, ESPECIALLY PAHOA HIGH AND INTERMEDIATE SCHOOL (PHIS) AND MOUNTAIN VIEW PUBLIC SCHOOLS, TO ENABLE LAPTOP COMPUTER USE. WIFI SIGNALS TO CLASSROOMS AS WELL AS LAPTOP COMPUTERS FOR STUDENTS' DAILY USE.			
		PLANS		200	
		CONSTRUCTION		900	
		EQUIPMENT		1,200	
		TOTAL FUNDING	EDN	2,300	C

## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
67.		WAIAKEA HIGH SCHOOL, HAWAII PLANS, DESIGN AND CONSTRUCTION FOR A NEW BASEBALL BATTING CAGE.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		448	
		TOTAL FUNDING	EDN	450 C	C
68.		WAIALUA HIGH AND INTERMEDIATE SCHOOL CAMPUS DRAINAGE IMPROVEMENTS, OAHU DESIGN AND CONSTRUCTION OF A DRAINAGE SYSTEM THAT WILL ADDRESS THE ISSUE OF WATER RUNNING INTO THE Q BUILDING, LOCATED AT THE LOWEST PART OF THE CAMPUS.			
		DESIGN		40	
		CONSTRUCTION		200	
		TOTAL FUNDING	EDN	240 C	C
69.		WAIANA E ELEMENTARY SCHOOL, OAHU CONSTRUCTION FOR AN ADMINISTRATION BUILDING.			
		CONSTRUCTION		750	
		TOTAL FUNDING	EDN	750 C	C
70.		WAIANA E HIGH SCHOOL, OAHU CONSTRUCTION TO RENOVATE, EXPAND, AND/OR CONNECT TWO EXISTING SEARIDER PRODUCTIONS MEDIA BUILDINGS (SP AND T). GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		CONSTRUCTION		2,000	
		TOTAL FUNDING	EDN	2,000 C	C
71.		WAIHEE ELEMENTARY, MAUI PLANS, DESIGN AND CONSTRUCTION FOR A NEW ADMINISTRATIVE BUILDING.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		898	
		TOTAL FUNDING	EDN	900 C	C
72.		WAIKOLOA ELEMENTARY AND MIDDLE SCHOOL, HAWAII PLANS AND DESIGN OF A NEW CLASSROOM BUILDING.			
		PLANS		1	
		DESIGN		1,579	
		TOTAL FUNDING	EDN	1,580 C	C
73.		WAIMALU ELEMENTARY SCHOOL, OAHU DESIGN AND CONSTRUCTION FOR CAMPUS WIDE ELECTRICAL UPGRADES; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		DESIGN		1	
		CONSTRUCTION		1,749	
		TOTAL FUNDING	EDN	1,750 C	C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
74.		WAIMANALO ELEMENTARY AND INTERMEDIATE SCHOOL, OAHU			
		DESIGN, CONSTRUCTION AND EQUIPMENT FOR STEM BUILDING RENOVATIONS; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		DESIGN		1	
		CONSTRUCTION		3,348	
		EQUIPMENT		1	
		TOTAL FUNDING EDN		3,350 C	
75.		WAIMEA CANYON MIDDLE SCHOOL, KAUAI			
		DESIGN AND CONSTRUCTION FOR INSTALLATION OF OUTDOOR PLAY COURT.			
		DESIGN		1	
		CONSTRUCTION		1,499	
		TOTAL FUNDING EDN		1,500 C	
76.		WAIPAHU ELEMENTARY SCHOOL, OAHU			
		DESIGN, CONSTRUCTION AND EQUIPMENT FOR CAMPUS WIDE ELECTRICAL UPGRADE; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		DESIGN		350	
		CONSTRUCTION		2,149	
		EQUIPMENT		1	
		TOTAL FUNDING EDN		2,500 C	
77.		WAIPAHU HIGH SCHOOL, OAHU			
		DESIGN AND CONSTRUCTION FOR UPGRADES TO CULINARY ACADEMY INCLUDING WALK-IN REFRIGERATOR; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		DESIGN		50	
		CONSTRUCTION		300	
		TOTAL FUNDING EDN		350 C	
78.		WASHINGTON MIDDLE SCHOOL, OAHU			
		CONSTRUCTION AND EQUIPMENT TO RENOVATE THE COMPUTER CLASSROOM IN BUILDING C; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		CONSTRUCTION		254	
		EQUIPMENT		1	
		TOTAL FUNDING EDN		255 C	
79.		WASHINGTON MIDDLE SCHOOL, OAHU			
		CONSTRUCTION TO CONVERT CLASSROOM TO RECORDING STUDIO.			
		CONSTRUCTION		1,750	
		TOTAL FUNDING EDN		1,750 C	

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
80.		WEBLING ELEMENTARY SCHOOL, OAHU DESIGN AND CONSTRUCTION FOR CAMPUS WIDE ELECTRICAL UPGRADES; EQUIPMENT AND APPURTENANCES.			
		DESIGN		1	
		CONSTRUCTION		1,749	
		TOTAL FUNDING	EDN	1,750	C
<b>EDN400 - SCHOOL SUPPORT</b>					
81.	14	LUMP SUM CIP - PROJECT POSITIONS, STATEWIDE PLANS FOR COSTS RELATED TO WAGES AND FRINGES FOR PERMANENT, PROJECT-FUNDED STAFF POSITIONS FOR THE IMPLEMENTATION OF CAPITAL IMPROVEMENT PROGRAM PROJECTS FOR THE DEPARTMENT OF EDUCATION. PROJECT MAY ALSO INCLUDE FUNDS FOR NON-PERMANENT CAPITAL IMPROVEMENTS PROGRAM RELATED POSITIONS.			
		PLANS		6,500	6,500
		TOTAL FUNDING	EDN	6,500	6,500
<b>EDN600 - CHARTER SCHOOLS</b>					
82.		FRIENDS OF KONA PACIFIC PUBLIC CHARTER SCHOOL, HAWAII PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT FOR COMMUNITY FOOD KITCHEN FOR FRIENDS OF KONA PACIFIC PUBLIC CHARTER SCHOOL. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		PLANS		4	
		DESIGN		60	
		CONSTRUCTION		836	
		EQUIPMENT		300	
		TOTAL FUNDING	EDN	1,200	C
83.		SUPPORTING THE LANGUAGE OF KAUAI, INC., KAUAI CONSTRUCTION FOR MULTI-PURPOSE COMMUNITY FACILITIES FOR KAWAIKINI NEW CENTURY PUBLIC CHARTER SCHOOL. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		CONSTRUCTION		50	
		TOTAL FUNDING	EDN	50	C
84.		FRIENDS OF THE VOLCANO SCHOOL OF ARTS & SCIENCES, HAWAII PLANS, DESIGN AND CONSTRUCTION OF A CERTIFIED COMMERCIAL KITCHEN. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		283	
		TOTAL FUNDING	EDN	285	C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017

EDN407 - PUBLIC LIBRARIES

85.	76	HEALTH AND SAFETY, STATEWIDE				
		DESIGN, CONSTRUCTION AND EQUIPMENT FOR HEALTH, SAFETY, ACCESSIBILITY AND OTHER CODE REQUIREMENTS. PROJECTS MAY INCLUDE, BUT NOT LIMITED TO, THE REMOVAL OF HAZARDOUS MATERIALS, RENOVATIONS FOR LIBRARY PATRONS AND EMPLOYEES, ENVIRONMENTAL CONTROLS, FIRE PROTECTION, IMPROVEMENTS TO BUILDINGS AND GROUNDS, AND OTHERS; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.				
		DESIGN			400	400
		CONSTRUCTION			2,099	2,099
		EQUIPMENT			1	1
		TOTAL FUNDING	AGS		2,500C	2,500C

DEF114 - HAWAII NATIONAL GUARD YOUTH CHALLENGE ACADEMY

86.	P99035	YOUTH CHALLENGE ACADEMY UPGRADE & IMPROVEMENTS, KEAUKAHA MILITARY RESERVATION, HAWAII				
		DESIGN AND CONSTRUCTION FOR RENOVATION TO THE EXISTING ARMORY AT KEAUKAHA MILITARY RESERVATION FOR ADMIN., CLASSROOMS, RESTROOMS, STORAGE, MULTI-PURPOSE/DINING AREA & OTHER FACILITY & INFRASTRUCTURE IMPROVEMENTS.				
		DESIGN			150	
		CONSTRUCTION			1,525	
		TOTAL FUNDING	AGS		1,675C	C

UOH100 - UNIVERSITY OF HAWAII, MANOA

87.		UHM, MARINE CENTER RELOCATION, OAHU				
		DESIGN AND CONSTRUCTION FOR THE RELOCATION OF THE UNIVERSITY OF HAWAII MARINE CENTER FROM PIERS 43-45, BY IMPROVING FACILITIES AT PIERS 34-35 AND SAND ISLAND. PROJECT TO INCLUDE GROUND AND SITE IMPROVEMENTS, NEW FACILITIES, RENOVATION OF EXISTING FACILITIES, EQUIPMENT AND APPURTENANCES, AND ALL PROJECT COSTS.				
		DESIGN			800	
		CONSTRUCTION			5,200	
		TOTAL FUNDING	UOH		6,000C	C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
88.		UHM, SOFTBALL STADIUM, OAHU PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT FOR RENOVATIONS, UPGRADES, AND IMPROVEMENTS TO THE SOFTBALL STADIUM AND FIELD. PROJECT TO INCLUDE GROUND AND SITE IMPROVEMENTS, INFRASTRUCTURE, EQUIPMENT AND APPURTENANCES, AND ALL RELATED PROJECT COSTS.			
		PLANS		25	
		DESIGN		375	
		CONSTRUCTION		2,250	
		EQUIPMENT		300	
		TOTAL FUNDING UOH		2,950C	C
<b>UOH700 - UNIVERSITY OF HAWAII, WEST OAHU</b>					
89.		UNIVERSITY OF HAWAII - WEST OAHU ADMINISTRATION AND ALLIED HEALTH FACILITY, OAHU DESIGN, CONSTRUCTION AND EQUIPMENT FOR THE ALLIED HEALTH AND ADMINISTRATION BUILDING. PROJECT TO INCLUDE GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES, AND ALL PROJECT RELATED COSTS.			
		DESIGN		23,998	
		CONSTRUCTION		1	
		EQUIPMENT		1	
		TOTAL FUNDING UOH		24,000C	C
<b>UOH800 - UNIVERSITY OF HAWAII, COMMUNITY COLLEGES</b>					
90.		CAPITAL IMPROVEMENT PROGRAM PROJECTS, STATEWIDE PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT FOR MINOR CAPITAL IMPROVEMENT PROGRAM PROJECTS FOR CAMPUS FACILITIES WITHIN THE UNIVERSITY OF HAWAII, COMMUNITY COLLEGE SYSTEM.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		9,997	
		EQUIPMENT		1	
		TOTAL FUNDING UOH		10,000C	C
91.		KAPIOLANI COMMUNITY COLLEGE CULINARY INSTITUTE OF THE PACIFIC, OAHU PLANS AND DESIGN FOR PHASE II OF THE CULINARY INSTITUTE OF THE PACIFIC FACILITY.			
		PLANS		1	
		DESIGN		999	
		TOTAL FUNDING UOH		1,000C	C



CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
92.		HAWAII COMMUNITY COLLEGE, HAWAII			
		CONSTRUCTION FOR PORTABLE TRAILERS.			
		CONSTRUCTION		1,500	
		TOTAL FUNDING UOH		1,500C	C
93.		KAUAI COMMUNITY COLLEGE, KAUAI			
		DESIGN, CONSTRUCTION AND EQUIPMENT TO PROVIDE PHOTOVOLTAIC POWER AT KAUAI COMMUNITY COLLEGE.			
		DESIGN		1	
		CONSTRUCTION		2,498	
		EQUIPMENT		1	
		TOTAL FUNDING UOH		2,500C	C
<b>UOH900 - UNIVERSITY OF HAWAII, SYSTEMWIDE SUPPORT</b>					
94.	536	SYS - LUMP SUM CIP FOR HIGHER EDUCATION, STATEWIDE			
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION AND EQUIPMENT FOR DEVELOPMENT OF AND IMPROVEMENTS TO GROUNDS, INFRASTRUCTURE, EXISTING FACILITIES, TEMPORARY FACILITIES, NEW FACILITIES, EQUIPMENT AND APPURTENANCES, AND OTHER RELATED PROJECT COSTS.			
		PLANS		1	
		LAND		1	
		DESIGN		1	
		CONSTRUCTION		44,426	
		EQUIPMENT		1	
		TOTAL FUNDING UOH		44,430C	C
95.	541	SYS, UNIVERSITY OF HAWAII PROJECT ADJUSTMENT FUND, STATEWIDE			
		PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT FOR THE ESTABLISHMENT OF A CONTINGENCY FUND FOR PROJECT ADJUSTMENT PURPOSES SUBJECT TO THE PROVISIONS OF THE APPROPRIATIONS ACT.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		1	
		EQUIPMENT		1	
		TOTAL FUNDING UOH		4C	C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F

H. CULTURE AND RECREATION

UOH881 - UNIVERSITY OF HAWAII, AQUARIA

1.		WAIKIKI AQUARIUM, OAHU				
		PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT FOR REPAIRS AND RENOVATIONS TO THE WAIKIKI AQUARIUM FOR PUBLIC HEALTH AND SAFETY.				
		PLANS			25	
		DESIGN			25	
		CONSTRUCTION			400	
		EQUIPMENT			50	
		TOTAL FUNDING	UOH		500C	C

LNR806 - PARKS ADMINISTRATION AND OPERATION

2.	H65	LUMP SUM CIP IMPROVEMENTS AT STATE PARKS, STATEWIDE				
		PLANS, DESIGN AND CONSTRUCTION OF STATE PARK IMPROVEMENTS, INCLUDING INFRASTRUCTURE, FACILITY SUPPORT, REGULATORY COMPLIANCE IMPROVEMENTS AND PUBLIC HEALTH AND SAFETY IMPROVEMENTS.				
		PLANS			1	1
		DESIGN			1	1
		CONSTRUCTION			1,998	1,498
		TOTAL FUNDING	LNR		2,000C	1,500C
3.	H66	STATE PARKS HAZARD MITIGATION IMPROVEMENTS, STATEWIDE				
		DESIGN, CONSTRUCTION AND EQUIPMENT FOR STATE PARKS HAZARD MITIGATION IMPROVEMENTS, INCLUDING NATURAL, ARBOREAL AND ANTHROPOGENIC HAZARDS.				
		DESIGN			1	1
		CONSTRUCTION			498	498
		EQUIPMENT			1	1
		TOTAL FUNDING	LNR		500C	500C
4.		CENTRAL MAUI REGIONAL PARK, MAUI				
		CONSTRUCTION FOR REGIONAL PARK IN THE AREA OF CENTRAL MAUI; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.				
		CONSTRUCTION			6,000	
		TOTAL FUNDING	LNR		6,000C	C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
5.		THE FRIENDS OF IOLANI PALACE, OAHU			
		CONSTRUCTION FOR CONTINUING RENOVATIONS, REPAIRS AND RESTORATION FOR IOLANI PALACE. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		CONSTRUCTION		1,500	
		TOTAL FUNDING LNR		1,500C	C
<b>LNR801 - OCEAN-BASED RECREATION</b>					
6.	B99	LUMP SUM IMPROVEMENT AT BOATING AND OCEAN RECREATION FACILITIES, STATEWIDE			
		PLANS, DESIGN AND CONSTRUCTION FOR IMPROVEMENTS AT VARIOUS BOATING FACILITIES TO INCLUDE PIERS, LOADING DOCKS, UTILITIES, BOAT RAMPS, RESTROOMS, PARKING AREAS, STRUCTURES, DREDGING, SEWER SYSTEMS, BUILDING, FENCING, RENDERING, MOORINGS, LANDSCAPING AND OTHER RELATED WORK. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		PLANS		1	1
		DESIGN		1	1
		CONSTRUCTION		3,123	2,748
		TOTAL FUNDING LNR		2,000C	1,500C
				1,125N	1,250N
7.		NORTH KAWAIHAE SMALL BOAT HARBOR, HAWAII			
		PLANS AND DESIGN FOR IMPROVEMENTS TO A MARGINAL BREAKWATER AS WELL AS REPAIR AND RENOVATIONS TO REVETMENT, DRAINAGE, ROADWAY, PARKING LOT, UTILITIES, LANDSCAPING AND MISCELLANEOUS IMPROVEMENTS.			
		PLANS		1	
		DESIGN		399	
		TOTAL FUNDING LNR		400C	C
8.		LAHAINA SMALL BOAT HARBOR, MAUI			
		CONSTRUCTION AND EQUIPMENT FOR EMERGENCY DREDGING AND REPLACEMENT OF BUOYS.			
		CONSTRUCTION		2,249	
		EQUIPMENT		1	
		TOTAL FUNDING LNR		2,250C	C
9.		WAIANAE SMALL BOAT HARBOR, OAHU			
		DESIGN AND CONSTRUCTION TO REPLACE PIERS.			
		DESIGN		250	
		CONSTRUCTION		2,250	
		TOTAL FUNDING LNR		2,500C	C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
10.		HEEIA PIER, OAHU PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT FOR INSTALLATION OF A WASTE WATER TREATMENT SYSTEM.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		189	
		EQUIPMENT		1	
		TOTAL FUNDING LNR		192 C	C
11.		WAIAKEA CANAL BOAT RAMP IMPROVEMENTS, KAUAI PLANS AND DESIGN FOR RECONSTRUCTION AND RENOVATION OF TRAILER AND VEHICLE PARKING LOT, BOAT WASH DOWN AREA AND PAVILION; DREDGE OF CANAL; REMOVAL AND REPLACEMENT OF NAVIGATIONAL AIDS.			
		PLANS		1	
		DESIGN		499	
		TOTAL FUNDING LNR		500 C	C
<b>I. PUBLIC SAFETY</b>					
<b>PSD900 - GENERAL ADMINISTRATION</b>					
1.	P20150	PSD GENERAL ADMINISTRATION PSD LUMP SUM CIP, STATEWIDE PLANS, LAND ACQUISITION, DESIGN AND CONSTRUCTION OF VARIOUS RENOVATIONS, ALTERATIONS AND OTHER CAPITAL IMPROVEMENTS TO BUILDINGS, GROUNDS, ON AND OFF-SITE UTILITIES AND INFRASTRUCTURE.			
		PLANS		1	1
		LAND		1	1
		DESIGN		1	1
		CONSTRUCTION		8,497	12,497
		TOTAL FUNDING AGS		8,500 C	12,500 C
<b>DEF110 - AMELIORATION OF PHYSICAL DISASTERS</b>					
2.	A40	DISASTER WARNING AND COMMUNICATIONS DEVICES, STATEWIDE PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION AND EQUIPMENT FOR INCREMENTAL ADDITION, REPLACEMENT AND UPGRADE OF STATE CIVIL DEFENSE WARNING & COMMUNICATIONS EQUIPMENT, STATEWIDE. THIS WILL EXPAND THE COVERAGE & RELIABILITY OF THE WARNING & CONTROL SYSTEM, AS WELL AS MODERNIZE AND ALLEVIATE SIREN COVERAGE GAP AREAS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		PLANS		1	
		LAND		1	
		DESIGN		11	3
		CONSTRUCTION		826	243
		EQUIPMENT		281	154
		TOTAL FUNDING AGS		1,020 C	300 C
				100N	100N

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
3.	P98134	UPGRADES AND IMPROVEMENTS TO NATIONAL GUARD READINESS CENTERS AND FACILITIES, STATEWIDE			
		DESIGN AND CONSTRUCTION OF IMPROVEMENTS AND UPGRADES TO NATIONAL GUARD READINESS CENTERS (ARMORIES) AND FACILITIES TO CONFORM TO CURRENT NATIONAL GUARD BUREAU AND U.S. DEPARTMENT OF THE ARMY STANDARDS AND CRITERIA, AND TO MEET HEALTHY, SAFETY AND BUILDING CODE REQUIREMENTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		DESIGN		150	
		CONSTRUCTION		6,326	4,206
		TOTAL FUNDING	DEF	1,906 C	1,600 C
			DEF	4,570 N	2,606 N
4.	DD1601	FORT RUGER B306 AND B306A, HURRICANE HARDENING, OAHU			
		DESIGN AND CONSTRUCTION OF IMPROVEMENTS TO RETROFIT BUILDINGS 306 AND 306A TO RESIST HURRICANE FORCE WINDS, AIR CONDITIONING IMPROVEMENTS, NEW EMERGENCY GENERATOR, AND ASSOCIATED IMPROVEMENTS.			
		DESIGN		185	
		CONSTRUCTION			1,200
		TOTAL FUNDING	AGS	185 C	1,200 C
5.	A0201	RETROFIT PUBLIC BUILDINGS WITH HURRICANE PROTECTIVE MEASURES, STATEWIDE			
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION AND EQUIPMENT TO RETROFIT BUILDINGS WITH HURRICANE PROTECTIVE MEASURES TO INCREASE THE NUMBER OF PUBLIC SHELTERS STATEWIDE.			
		PLANS		1	1
		LAND		1	1
		DESIGN		123	60
		CONSTRUCTION		250	125
		EQUIPMENT		625	313
		TOTAL FUNDING	AGS	1,000 C	500 C
6.	DD1502	DIAMOND HEAD CRATER, REPAIR TUNNEL SHOT-CRETE FINISH, OAHU			
		DESIGN AND CONSTRUCTION OF REPAIRS TO THE EXISTING CEMENTITIOUS SHOT-CRETE FINISH ADJACENT TO THE MULE TUNNELS AND VEHICLE TUNNEL ENTRANCES.			
		DESIGN		86	
		CONSTRUCTION			838
		TOTAL FUNDING	AGS	86 C	838 C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
7.	A46	HEALTH AND SAFETY REQUIREMENTS FOR BIRKHIMER TUNNEL AND SUPPORT FACILITIES, OAHU			
		DESIGN AND CONSTRUCTION FOR PHASE III OF THE INFRASTRUCTURE IMPROVEMENTS TO THE STATE EMERGENCY OPERATING CENTER, BIRKHIMER TUNNEL & SUPPORT FACILITIES. PROJECT TO INCLUDE UTILITY SYSTEMS UPGRADE, UNDERGROUND INSTALLATION OF THE UTILITY SYSTEMS, AND REMOVAL OF OVERHEAD UTILITY SYSTEMS.			
		DESIGN		128	
		CONSTRUCTION			562
		TOTAL FUNDING	AGS	128 C	562 C
8.		COMBINED SURFACE MAINTENANCE SHOP 2, KEAUKAHA MILITARY RESERVATION, HAWAII			
		CONSTRUCTION FOR NEW COMBINED SUPPORT MAINTENANCE SHOP COMPLEX FOR HAWAII ARMY NATIONAL GUARD. THE NEW COMBINED SUPPORT MAINTENANCE SHOP WILL INCLUDE OFFICE, PERSONNEL AND WORK AREA SPACE AND MAINTENANCE SHOP WORK BAYS THAT WILL BE DESIGNED AND CONSTRUCTED TO ACHIEVE LEED SILVER. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		CONSTRUCTION		1,711	28,501
		TOTAL FUNDING	DEF	1,711 N	28,501 N
<b>K. GOVERNMENT-WIDE SUPPORT</b>					
<b>GOV100 - OFFICE OF THE GOVERNOR</b>					
1.	G01	PROJECT ADJUSTMENT FUND, STATEWIDE			
		PLANS FOR THE ESTABLISHMENT OF A CONTINGENCY FUND FOR PROJECT ADJUSTMENT PURPOSES SUBJECT TO THE PROVISIONS OF THE APPROPRIATIONS ACT.			
		PLANS		1	1
		TOTAL FUNDING	GOV	1 C	1 C
<b>BUF101 - DEPARTMENTAL ADMINISTRATION AND BUDGET DIVISION</b>					
2.	00-02	STATE EDUCATIONAL FACILITIES IMPROVEMENT FUND, STATEWIDE			
		CONSTRUCTION TO AUTHORIZE THE TRANSFER OF GENERAL OBLIGATION BOND FUNDS AND RE-AUTHORIZATION TO THE STATE EDUCATIONAL FACILITIES IMPROVEMENT SPECIAL FUND.			
		CONSTRUCTION		38,113	
		TOTAL FUNDING	BUF	38,113 C	C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
<b>TAX107 - SUPPORTING SERVICES - REVENUE COLLECTION</b>					
3.	4	KEELIKOLANI BUILDING RENOVATIONS, OAHU			
		CONSTRUCTION FOR ACOUSTICAL SLIDING PARTITIONS AND SOUNDPROOFING FOR ROOMS 217 AND 223 IN THE KEELIKOLANI BUILDING.			
		CONSTRUCTION		472	
		TOTAL FUNDING AGS		472C	C
<b>LNR101 - PUBLIC LANDS MANAGEMENT</b>					
4.		WAIKIKI BEACH MAINTENANCE, OAHU			
		PLANS, DESIGN AND CONSTRUCTION TO NOURISH WAIKIKI BEACH WITH SAND. PERIODIC BEACH NOURISHMENT IS NEEDED TO KEEP PACE WITH ONGOING EROSION. THE PLANNING PHASE OF THE PROJECT WILL ALSO INCLUDE ANALYSIS OF ENGINEERING ALTERNATIVES FOR IMPROVED EROSION.			
		PLANS		800	
		DESIGN		200	
		CONSTRUCTION			6,000
		TOTAL FUNDING LNR		1,000B	1,250B
				LNR	1,750R
				LNR	3,000T
5.		WAIMEA RIVER CROSSING, KAUAI			
		CONSTRUCTION TO REPLACE GRADED RIVER CROSSING WITH NEW CONCRETE FORD CROSSING.			
		CONSTRUCTION		500	
		TOTAL FUNDING LNR		500C	C
<b>AGS221 - PUBLIC WORKS - PLANNING, DESIGN, AND CONSTRUCTION</b>					
6.	E109	LUMP SUM MAINTENANCE OF EXISTING FACILITIES, PUBLIC WORKS DIVISION, STATEWIDE			
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION AND EQUIPMENT FOR IMPROVEMENTS AND MAINTENANCE OF PUBLIC FACILITIES AND SITES, STATEWIDE. PROJECTS MAY INCLUDE REPAIRS AND IMPROVEMENTS.			
		PLANS		100	100
		LAND		1	1
		DESIGN		1,100	1,100
		CONSTRUCTION		10,790	10,790
		EQUIPMENT		9	9
		TOTAL FUNDING AGS		12,000C	12,000C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
7.	Q101	CAPITAL IMPROVEMENT PROGRAM STAFF COSTS, STATEWIDE PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION AND EQUIPMENT FOR COSTS RELATED TO WAGES AND FRINGE FOR PERMANENT, PROJECT-FUNDED STAFF POSITIONS FOR THE IMPLEMENTATION OF CAPITAL IMPROVEMENT PROGRAM PROJECTS FOR THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES. PROJECTS MAY ALSO INCLUDE FUNDS FOR NON-PERMANENT AND EXEMPT FROM CHAPTER 76 CAPITAL IMPROVEMENTS PROGRAM RELATED POSITIONS.			
		PLANS		8,508	8,706
		LAND		1	1
		DESIGN		1	1
		CONSTRUCTION		1	1
		EQUIPMENT		1	1
		TOTAL FUNDING	AGS	8,512C	8,710C
8.		HONOLULU ACADEMY OF ARTS, OAHU DESIGN AND CONSTRUCTION FOR ART CLASSROOMS, ART EDUCATION, KNOWLEDGE CENTER AND PARKING ADJACENT TO HONOLULU MUSEUM OF ART SCHOOL. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		DESIGN		1	
		CONSTRUCTION		1,499	
		TOTAL FUNDING		1,500C	C
9.		DIAMOND HEAD THEATRE, OAHU DESIGN AND CONSTRUCTION FOR A NEW THEATRE FOR DIAMOND HEAD THEATRE. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		DESIGN		1	
		CONSTRUCTION		449	
		TOTAL FUNDING	AGS	450C	C
10.		GOODWILL INDUSTRIES OF HAWAII, INC., OAHU CONSTRUCTION FOR RENOVATIONS TO HONOLULU CAREER AND LEARNING CENTER FOR GOODWILL. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		CONSTRUCTION		1,000	
		TOTAL FUNDING	AGS	1,000C	C
11.		HANA HEALTH, HAWAII PLANS AND CONSTRUCTION OF NEW HEALTH FACILITIES. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		PLANS		1	
		CONSTRUCTION		499	
		TOTAL FUNDING	AGS	500C	C



CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
12.		HAWAII ACADEMY OF PERFORMING ARTS, OAHU CONSTRUCTION AND EQUIPMENT FOR BATHROOM RENOVATION AT THE ARTS OF MARKS GARAGE. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		CONSTRUCTION		49	
		EQUIPMENT		1	
		TOTAL FUNDING	AGS	50C	C
13.		HAWAII COUNTY ECONOMIC OPPORTUNITY COUNCIL, HAWAII CONSTRUCTION AND COMPLETION OF MILOLII COMMUNITY ENRICHMENT AND HISTORICAL CENTER. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		CONSTRUCTION		800	
		TOTAL FUNDING	AGS	800C	C
14.		HAWAII LAW ENFORCEMENT MEMORIAL FOUNDATION, OAHU PLANS, DESIGN AND CONSTRUCTION FOR LAW ENFORCEMENT MEMORIAL. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		606	
		TOTAL FUNDING	AGS	608C	C
15.		HAWAII PUBLIC TELEVISION FOUNDATION, OAHU CONSTRUCTION TO FINISH THE FINAL PHASE OF A NEW FACILITY WHICH WILL HOUSE A MAIN TELEVISION STUDIO AND SMALLER INTERVIEW STUDIO, AN EMERGENCY BROADCAST CENTER AND A MEDIA INNOVATION CENTER. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		CONSTRUCTION		1,000	
		TOTAL FUNDING	AGS	1,000C	C
16.		HERITAGE HALL, INCORPORATED, MAUI CONSTRUCTION FOR HERITAGE HALL INCORPORATED FACILITIES IN PAIA, MAUI. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		CONSTRUCTION		300	
		TOTAL FUNDING	AGS	300C	C
17.		KAPOLEI COMMUNITY DEVELOPMENT CORPORATION, OAHU CONSTRUCTION OF THE KAPOLEI COMMUNITY DEVELOPMENT CORPORATION HERITAGE CENTER MULTI-PURPOSE FACILITY. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		CONSTRUCTION		500	
		TOTAL FUNDING	AGS	500C	C

## CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
18.		KUALOA-HEEIA ECUMENICAL YOUTH PROJECT, OAHU			
		CONSTRUCTION FOR RENOVATION AND FACILITY IMPROVEMENTS FOR KAHALUU MULTI-PURPOSE COMMUNITY CENTER. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		CONSTRUCTION		186	
		TOTAL FUNDING AGS		186C	C
19.		LANAKILA PACIFIC, OAHU			
		CONSTRUCTION FOR RENOVATION LANAKILA PACIFICS CENTRAL FACILITY TO ADDRESS HEALTH AND SAFETY ISSUES. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		CONSTRUCTION		200	
		TOTAL FUNDING AGS		200C	C
20.		MAUI YOUTH AND FAMILY SERVICES, INC., MAUI			
		CONSTRUCTION FOR NEW ADMINISTRATION FACILITY FOR MAUI YOUTH AND FAMILY SERVICES, INC. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		CONSTRUCTION		525	
		TOTAL FUNDING AGS		525C	C
21.		OLA KA ILIMA ARTS CENTER LLC, OAHU			
		PLANS, DESIGN AND CONSTRUCTION FOR AN 84 UNIT AFFORDABLE WORKING-FORCE HOUSING DEVELOPMENT IN KAKAAKO. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		1,498	
		TOTAL FUNDING AGS		1,500C	C
22.		PANAEWA COMMUNITY ALLIANCE, HAWAII			
		PLANS AND DESIGN FOR THE KAMOLEAO LAULIMA COMMUNITY RESOURCES CENTER. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		PLANS		1	
		DESIGN		149	
		TOTAL FUNDING AGS		150C	C
23.		REHABILITATION HOSPITAL OF THE PACIFIC, OAHU			
		CONSTRUCTION FOR RENOVATION FOR THE REHABILITATION HOSPITAL OF THE PACIFIC TO ADDRESS HEALTH, SAFETY ISSUES. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		CONSTRUCTION		438	
		TOTAL FUNDING AGS		438C	C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
24.		KAUAI ECONOMIC OPPORTUNITY, INCORPORATED, KAUAI			
		CONSTRUCTION FOR INSTALLATION OF PHOTO VOLTAIC SYSTEMS AT 8 LOCATIONS. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		CONSTRUCTION		514	
		TOTAL FUNDING	AGS	514C	C
<b>SUB201 - CITY AND COUNTY OF HONOLULU</b>					
25.		ROAD IMPROVEMENTS, OAHU			
		PLANS, DESIGN AND CONSTRUCTION FOR ROAD IMPROVEMENTS TO IHE STREET, KEALAKAI STREET, LAKI ROAD, PALA STREET AND PANUI STREET.			
		PLANS		1	
		DESIGN		1,998	
		CONSTRUCTION		1	
		TOTAL FUNDING	CCH	1,000C	C
			CCH	1,000S	S
26.		ROAD WIDENING IMPROVEMENTS, OAHU			
		PLANS, DESIGN AND CONSTRUCTION FOR ROAD IMPROVEMENTS, WIDENING AND REPAIR TO KALIHI STREET FROM KALAEPA DRIVE TO 3080 KALIHI STREET.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		1,998	
		TOTAL FUNDING	CCH	1,000C	C
			CCH	1,000S	S
<b>SUB301 - COUNTY OF HAWAII</b>					
27.		SANTOS LANE AND NOHEA ST., G.I. PIPELINE REPLACEMENT, HAWAII			
		DESIGN AND CONSTRUCTION FOR REPLACING GALVANIZED WATER LINES AND SERVICE LATERALS ALONG NOHEA STREET AND SANTOS LANE.			
		DESIGN		1	
		CONSTRUCTION		549	
		TOTAL FUNDING	COH	550C	C
<b>SUB401 - COUNTY OF MAUI</b>					
28.		MAUI RACEWAY PARK, MAUI			
		CONSTRUCTION TO REPAVE PORTIONS OF TRACK AND ANCILLARY ROADS; REBUILD CONCRETE LAUNCH PAD; REPLACE RESTROOMS; PURCHASE IMPROVED TIMING, LIGHTING, AND MAINTENANCE EQUIPMENT.			
		CONSTRUCTION			2,000
		TOTAL FUNDING	COM	C	2,000C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
<b>SUB501 - COUNTY OF KAUAI</b>					
29.		MOTOROLA 800 MHZ UPGRADE PHASE III, KAUAI CONSTRUCTION AND EQUIPMENT FOR PHASE III OF PUBLIC SAFETY COMMUNICATIONS INFRASTRUCTURE TO ACHIEVE P25 COMPLIANCE.		2,099	
		CONSTRUCTION EQUIPMENT		1	
		TOTAL FUNDING COK		2,100	C
30.		SHELTERED BUS STOPS, KAUAI CONSTRUCTION FOR PHASE III, STOPS ALONG STATE HIGHWAYS AND COLLECTOR ROADS, AMERICANS WITH DISABILITIES ACT COMPLIANT PADS, TRANSITION ACCESSIBILITY, LIGHTING, TRASH AND RECYCLING RECEPTACLES AND BICYCLE RACKS.		1,500	
		CONSTRUCTION		1,500	C
		TOTAL FUNDING COK		1,500	C
31.		HANAPEPE/ELEELE TRANSMISSION WATERLINE IMPROVEMENT PROJECT, KAUAI PLANS, LAND ACQUISITION, DESIGN AND CONSTRUCTION FOR 3,000 FOOT, 15 INCH WATER MAIN ALONG KAUMUALII HIGHWAY AND A 3,000 FOOT, 12 INCH WATER MAIN ALONG HANAPEPE ROAD.		350	
		PLANS		50	
		LAND		50	
		DESIGN		4,000	
		CONSTRUCTION		4,450	C
		TOTAL FUNDING COK		4,450	C
32.		MOLOAA WELL AND POST-HARVEST FACILITY PROJECT, KAUAI PLANS, LAND ACQUISITION, DESIGN AND CONSTRUCTION FOR A WATER WELL, ALTERNATIVE ENERGY TO POWER THE WELL, AND AN ONSITE, POST-HARVEST FACILITY TO COMPLY WITH FOOD SAFETY MODERNIZATION ACT.		600	
		PLANS		500	
		LAND		200	
		DESIGN		1,750	
		CONSTRUCTION		3,050	C
		TOTAL FUNDING COK		3,050	C
33.		KAUAI VETERANS CEMETERY PAVILION RENOVATION IN HANAPEPE, KAUAI PLANS, DESIGN AND CONSTRUCTION TO RENOVATE AND UPDATE THE KAUAI VETERANS CEMETERY PAVILION IN HANAPEPE, KAUAI.		1	
		PLANS		1	
		DESIGN		398	
		CONSTRUCTION		400	C
		TOTAL FUNDING COK		400	C

## PART V. CAPITAL IMPROVEMENT PROGRAM PROVISIONS

SECTION 48. Provided that of the general obligation fund appropriation for Hawaii housing finance and development corporation (BED160), the sum of \$1,700,000 or so much thereof as may be necessary for fiscal year 2015-2016 shall not be expended by the Hawaii housing finance and development corporation until such time as a revised memorandum of agreement for a mixed-use residential development on land situated at 902 Alder Street, Honolulu, Oahu, Hawaii is executed between the Hawaii housing finance and development corporation and the judiciary to allow for the development of a multi-use residential development in two or more phases.

SECTION 49. Provided that of the general obligation fund appropriation for Hawaii health systems corporation - regions (HTH212), the sum of \$20,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 shall be expended by the Hawaii health systems corporation for repair and maintenance projects, including those to correct health and safety deficiencies; provided further that of the total sum:

- (1) \$2,000,000 shall be used for the replacement of two chillers and air conditioning equipment at Maui Memorial Medical Center;
- (2) \$400,000 shall be used for clinical equipment at Maui Memorial Medical Center;
- (3) \$1,000,000 shall be used for repairs to facility at Maui Memorial Medical Center;
- (4) \$2,592,000 shall be used for plumbing and fire safety upgrades at Maui Memorial Medical Center;
- (5) \$1,500,000 shall be used for electrical room replacement at Kauai Veterans Memorial Hospital;
- (6) \$500,000 shall be used for surgical sterilization equipment replacement at Kauai Veterans Memorial Hospital;
- (7) \$300,000 shall be used for endoscopy suite renovation at Samuel Mahelona Memorial Hospital;
- (8) \$600,000 shall be used for psychiatric unit renovations at Samuel Mahelona Memorial Hospital;
- (9) \$300,000 shall be used for the renovation of nurses station at Samuel Mahelona Memorial Hospital;
- (10) \$500,000 shall be used for an emergency generator at Samuel Mahelona Memorial Hospital;
- (11) \$650,000 shall be used for nursing facility renovation at Kauai Veterans Memorial Hospital;
- (12) \$50,000 shall be used for a medical air system at West Kauai Medical Center;
- (13) \$2,400,000 shall be used for East Hawaii Region, photovoltaic array;
- (14) \$1,000,000 shall be used for East Hawaii Region, repairs to facilities;
- (15) \$900,000 shall be used for Kona Community Hospital, patient shower and bathroom renovations; and
- (16) \$1,500,000 shall be used for Kona Community Hospital, electrical improvements.

SECTION 50. Provided that of the general obligation fund appropriation for Hawaii health systems corporation - regions (HTH212), the sum of \$12,000,000 or so much thereof as may be necessary for fiscal year 2016-2017 shall be expended by the Hawaii health systems corporation for repair and main-

tenance projects, including those to correct health and safety deficiencies; provided further that of the total sum:

- (1) \$500,000 shall be used for energy efficiency projects at Kula Hospital;
- (2) \$400,000 shall be used for air conditioning improvements at Kula Hospital;
- (3) \$1,000,000 shall be used for plumbing and facility improvements at Lanai Community Hospital;
- (4) \$2,000,000 shall be used for exterior and ward room repairs at Kula Hospital;
- (5) \$300,000 shall be used for radiology equipment replacement at Kauai Veterans Memorial Hospital;
- (6) \$500,000 shall be used for bed replacement at Kauai Veterans Memorial Hospital;
- (7) \$200,000 shall be used for bed replacement at Samuel Mahelona Memorial Hospital;
- (8) \$1,100,000 shall be used for electrical upgrades at Kauai Veterans Memorial Hospital;
- (9) \$32,000 shall be used for dental office equipment replacement at Samuel Mahelona Memorial Hospital;
- (10) \$250,000 shall be used for resurfacing the parking lot at Samuel Mahelona Memorial Hospital;
- (11) \$250,000 shall be used for irrigation system upgrades at Kauai Veterans Memorial Hospital; and
- (12) \$2,592,000 shall be used for Kona Community Hospital hospital renovations.

SECTION 51. Provided that of the general obligation fund appropriation for the University of Hawaii – West Oahu Administration and Allied Health Facility, Oahu (UOH700), no funds shall be expended for the University of Hawaii – West Oahu Satisfaction of EB-5 Loan Repayment made for fiscal year 2015-2016 unless the University of Hawaii renews its operating lease with Hawaii Technology Development Corporation for use of the Manoa Innovation Center for a duration of not less than 25 years for \$1 a year.

SECTION 52. Provided that of the general obligation fund appropriation for the department of public safety, (PSD900), the sum of \$12,500,000 or so much thereof as may be necessary for fiscal year 2016-2017 shall be expended by the department of public safety; provided further that the department shall submit a progress report to the legislature which includes updates on the following:

- (1) The preliminary design and projected cost of the replacement Oahu Community Correctional Center, which shall be designed to be accredited by the American Correctional Association; and
- (2) Progress towards both a financing plan and issuance of a request for proposals for the acquisition of the facility from a private developer for the State on a turn-key basis; and

provided further that the report shall be submitted by February 1, 2016.

SECTION 53. Provided that of the general obligation bond appropriation for the city and county of Honolulu (SUB201), the sum of \$1,000,000 or so much thereof as may be necessary and available for fiscal year 2015-2016 shall be expended by the city and county of Honolulu for road improvements for widening and repair to Kalihi Street from Kalaepaa Drive to 3080 Kalihi Street; provided further that the funds to be expended are matched by an amount no

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less than \$1,000,000 by the city and county of Honolulu; and provided further that any unexpended funds shall lapse to their respective funds.

SECTION 54. Provided that of the general obligation bond appropriation for the city and county of Honolulu (SUB201), the sum of \$1,000,000 or so much thereof as may be necessary and available for fiscal year 2015-2016 shall be expended by the city and county of Honolulu for road improvements to The Street, Kealakai Street, Laki Road, Pala Street, and Panui Street; provided further that the funds to be expended are matched by an amount no less than \$1,000,000 by the county; provided further that any unexpended funds shall lapse to their respective funds.

SECTION 55. Any law to the contrary notwithstanding, the appropriation under Act 218, Session Laws of Hawaii 1995, section 99, as amended by Act 287, Session Laws of Hawaii 1996, section 5, in the amount indicated or balance thereof, unallotted, allotted, unencumbered, or encumbered and unrequired, is hereby lapsed:

<u>"Item No.</u>	<u>Amount (MOF)</u>
A-25A	\$ 6,970 C"

SECTION 56. Any law to the contrary notwithstanding, the appropriations under Act 328, Session Laws of Hawaii 1997, section 140A, as amended by Act 116, Session Laws of Hawaii 1998, section 5, in the amounts indicated or balances thereof, unallotted, allotted, unencumbered, or encumbered and unrequired, are hereby lapsed:

<u>"Item No.</u>	<u>Amount (MOF)</u>
A-21	\$ 49 C
G-117	25,600 C
G-123	712,220 C
H-16	18,351 C
H-27A	6,063 C
I-14	3,200,000 C
I-15	6,700 C
K-21	19,094 C"

SECTION 57. Any law to the contrary notwithstanding, the appropriations under Act 91, Session Laws of Hawaii 1999, section 64, as amended by Act 281, Session Laws of Hawaii 2000, section 5, in the amounts indicated or balances thereof, unallotted, allotted, unencumbered, or encumbered and unrequired, are hereby lapsed:

<u>"Item No.</u>	<u>Amount (MOF)</u>
G-80B	\$ 71,420 C
G-97	90,694 C"

SECTION 58. Any law to the contrary notwithstanding, the appropriations under Act 259, Session Laws of Hawaii 2001, section 91, as amended by Act 3, Third Special Session of 2001, section 3, as amended by Act 177, Session Laws of Hawaii 2002, section 5, in the amounts indicated or balances thereof, unallotted, allotted, unencumbered, or encumbered and unrequired, are hereby lapsed:

<u>"Item No.</u>	<u>Amount (MOF)</u>
A-13	\$ 11,362 C
D-5	110,043 C
G-54E	104,156 C
G-59	12,574 C
G-65	71,230 C
H-8	8,218 C
H-10A	28,799 C
H-14	335 C"

SECTION 59. Any law to the contrary notwithstanding, the appropriations under Act 200, Session Laws of Hawaii 2003, section 77, as amended by Act 41, Session Laws of Hawaii 2004, section 5, in the amounts indicated or balances thereof, unallotted, allotted, unencumbered, or encumbered and unrequired, are hereby lapsed:

<u>"Item No.</u>	<u>Amount (MOF)</u>
A-5	\$ 3,199 C
G-73	107,507 C
H-1	232,822 C
H-1.01	52,830 C
K-7	14,050 C"

SECTION 60. Any law to the contrary notwithstanding, the appropriations under Act 178, Session Laws of Hawaii 2005, section 85, in the amounts indicated or balances thereof, unallotted, allotted, unencumbered, or encumbered and unrequired, are hereby lapsed:

<u>"Item No.</u>	<u>Amount (MOF)</u>
D-3	\$ 71,928 C
H-3	97,520 C"

SECTION 61. Any law to the contrary notwithstanding, the appropriation under Act 162, Session Laws of Hawaii 2009, section 62, as amended by Act 180, Session Laws of Hawaii 2010, section 5, in the amount indicated or balance thereof, unallotted, allotted, unencumbered, or encumbered and unrequired, is hereby lapsed:

<u>"Item No.</u>	<u>Amount (MOF)</u>
G-39.01	\$ 2,340,000 B"

SECTION 62. Any law to the contrary notwithstanding, the appropriations under Act 164, Session Laws of Hawaii 2011, section 36, as amended by Act 106, Session Laws of Hawaii 2012, section 5, in the amounts indicated or balances thereof, unallotted, allotted, unencumbered, or encumbered and unrequired, are hereby lapsed:

<u>"Item No.</u>	<u>Amount (MOF)</u>
A-16	\$ 111,852 C"

SECTION 63. Any law to the contrary notwithstanding, the appropriation under Act 134, Session Laws of Hawaii 2013, section 39, as amended by Act 122, Session Laws of Hawaii 2014, section 5, in the amount indicated or balance thereof, unallotted, allotted, unencumbered, or encumbered and unrequired, is hereby lapsed:



<u>"Item No.</u>	<u>Amount (MOF)</u>
C-1	\$16,080,000 X
G-84	10,000,000 C
G-84.01	6,000,000 E
H-13	1,500,000 C
K-3	2,340,000 C."

SECTION 64. Act 162, Session Laws of Hawaii 2009, section 62, as amended by Act 180, Session Laws of Hawaii 2010, section 5, is amended by amending Item C-96 to read:

"96. T116 KAWAIHAE ROAD BYPASS, [~~WAIMEA TO KAWAIHAE~~] VICINITY OF MAHUA STREET TO MAMALAHOA HIGHWAY, HAWAII

PLANS AND DESIGN FOR A NEW ROAD FROM [~~WAIMEA TO KAWAIHAE~~] VICINITY OF MAHUA STREET TO MAMALAHOA HIGHWAY. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.

PLANS			1,250	
DESIGN				15,000
TOTAL FUNDING	TRN		E	3,000 E
			N	12,000 N
	TRN		1,250 X	X"

SECTION 65. Act 134, Session Laws of Hawaii 2013, section 39, as amended by Act 122, Session Laws of Hawaii 2014, section 5, is amended by amending Item C-85.03 to read as follows:

"85.03. T153 [~~HAWAII BELT ROAD~~] MAMALAHOA HIGHWAY, NINOLE BRIDGE REHABILITATION, AND/OR REPLACEMENT, HAWAII

LAND ACQUISITION AND DESIGN FOR REHABILITATION AND/OR REPLACEMENT OF NINOLE BRIDGE ALONG [~~HAWAII BELT ROAD (ROUTE 19)~~] MAMALAHOA HIGHWAY (ROUTE 11). THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.

LAND				1,044
DESIGN				261
TOTAL FUNDING	TRN		E	261 E
			N	1,044 N"
	TRN			

SECTION 66. Any law to the contrary notwithstanding, the appropriations under Act 134, Session Laws of Hawaii 2013, section 39, as amended and renumbered by Act 122, Session Laws of Hawaii 2014, section 5, is amended by amending Item F-9.03 to read as follows:

"PAPAKOLEA COMMUNITY DEVELOPMENT CORPORATION, OAHU

PLANS, DESIGN AND CONSTRUCTION FOR THE PAPAKOLEA FACILITY IMPROVEMENT PROJECT TO IMPROVE AND MAINTAIN EXISTING STRUCTURES. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.

PLANS				1
DESIGN				1
CONSTRUCTION				248
TOTAL FUNDING	HHL		3	250 C"

SECTION 67. Any law to the contrary notwithstanding, the appropriations under Act 164, Session Laws of Hawaii 2011, section 36, as amended and renumbered by Act 106, Session Laws of Hawaii 2012, section 5, is amended by amending Item A-55 to read as follows:

“LINCOLN ELEMENTARY SCHOOL, OAHU

DESIGN FOR AIR CONDITIONING  
UPGRADES FOR BUILDING ~~(C AND) D AND~~  
E IN ORDER OF PRIORITY; GROUND AND  
SITE IMPROVEMENTS; EQUIPMENT AND  
APPURTENANCES.

DESIGN		200
TOTAL FUNDING	EDN	200B”

4

SECTION 68. Any law to the contrary notwithstanding, the appropriations under Act 134, Session Laws of Hawaii 2013, section 39, as amended by Act 122, Session Laws of Hawaii 2014, section 5, is amended by amending Item I-7.04 to read as follows:

“CIVIL AIR PATROL, OAHU

CONSTRUCTION FOR THE REROOFING,  
STRUCTURAL REPAIR AND EXTERNAL  
PAINTING FOR CIVIL AIR PATROL CENTRAL  
HEADQUARTERS. THIS PROJECT QUALIFIES  
AS A GRANT PURSUANT TO CHAPTER 42F,  
HRS.

CONSTRUCTION		200
TOTAL FUNDING	DEF	200C”

3

SECTION 69. Any law to the contrary notwithstanding, the appropriations in Act 134, Session Laws of Hawaii 2013, section 48.1, as amended by Act 122, Session Laws of Hawaii 2014, section 6, is amended to read as follows:

“SECTION 48.1. Any law to the contrary notwithstanding, the appropriations under Act 91, Session Laws of Hawaii 1999, section 91, as amended and renumbered by Act 281, Session Laws of Hawaii 2000, section 5, in the amounts indicated or balances thereof, unallotted, allotted, unencumbered, or encumbered and unrequired, are hereby lapsed:

Item No.	Amount (MOF)
A-5	189,000 C
A-5	64,000 N
A-6	29,000 C
A-9	111,800 C
G-69	449,000 C
I-5	115,000 C
I-6	456,000 C
I-8	1,200,000 C
<del>I-9</del>	<del>51,400 C]</del> ”

SECTION 70. Any law to the contrary notwithstanding, the appropriations in Act 134, Session Laws of Hawaii 2013, section 48.2, as amended by Act 122, Session Laws of Hawaii 2014, section 6, is amended to read as follows:

“SECTION 48.2. Any law to the contrary notwithstanding, the appropriations under Act 259, Session Laws of Hawaii 2001, section 91, as amended and renumbered by Act 177, Session Laws of Hawaii 2002, section 5, in the

amounts indicated or balances thereof, unallotted, allotted, unencumbered, or encumbered and unrequired, are hereby lapsed:

Item No.	Amount (MOF)
A-2	919,500 C
A-4	558,000 C
A-4B	28,200 C
A-4C	110,200 C
A-4E	3,000,000 C
<del>G-45</del>	<del>185,200 C</del>
G-54G	177,000 C
H-21	102,100 C
H-21A	800 C
I-5	298,300 C
I-6	187,100 C
<del>I-7A</del>	<del>1,350,000 C</del>
K-22	666,400 C

SECTION 71. Any law to the contrary notwithstanding, the appropriations in Act 200, Session Laws of Hawaii 2003, section 77, as amended by Act 41, Session Laws of Hawaii 2004, section 5, as amended by Act 122, Session Laws of Hawaii 2014, section 49, is amended to read as follows:

“SECTION 49. Any law to the contrary notwithstanding, the appropriations under Act 200, Session Laws of Hawaii 2003, section 77, as amended and renumbered by Act 41, Session Laws of Hawaii 2004, section 5, in the amounts indicated or balances thereof, unallotted, allotted, unencumbered, or encumbered and unrequired, are hereby lapsed:

Item No.	Amount (MOF)
<del>A-3.02</del>	<del>954,000 C</del>
C-90	9,681,452 B
G-62	598,000 C
H-3	44,500 C
<del>I-2</del>	<del>68,500 C</del> ”

SECTION 72. Any law to the contrary notwithstanding, the appropriations in Act 134, Session Laws of Hawaii 2013, section 49.1, as amended by Act 122, Session Laws of Hawaii 2014, section 6, is amended to read as follows:

“SECTION 49.1. Any law to the contrary notwithstanding, the appropriations under Act 178, Session Laws of Hawaii 2005, section 85, as amended and renumbered by Act 160, Session Laws of Hawaii 2006, section 5, in the amounts indicated or balances thereof, unallotted, allotted, unencumbered, or encumbered and unrequired, are hereby lapsed:

Item No.	Amount (MOF)
<del>A-7</del>	<del>955,000 C</del>
C-64	32,100 C
H-9	399,500 C
H-14.02	16,200 C
H-14.03	38,000 C
H-14.05	145,800 C
<del>I-3</del>	<del>528,000 C</del>
I-5	25,100 C
I-6.01	280,100 C
<del>I-6.02</del>	<del>230,500 C</del>
<del>K-11</del>	<del>63,300 C</del> ”

SECTION 73. Any law to the contrary notwithstanding, the appropriations in Act 213, Session Laws of Hawaii 2007, section 125, as amended by Act 158, Session Laws of Hawaii 2008, section 125, as amended by Act 134, Session Laws of Hawaii 2013, section 50, as amended by Act 122, Session Laws of Hawaii 2014, section 6, is amended to read as follows:

“SECTION 50. Any law to the contrary notwithstanding, the appropriations under Act 213, Session Laws of Hawaii 2007, section 125, as amended and renumbered by Act 158, Session Laws of Hawaii 2008, section 125, in the amounts indicated or balances thereof, unallotted, allotted, unencumbered, or encumbered and unrequired, are hereby lapsed:

Item No.	Amount (MOF)
<del>A-4</del>	<del>2,370,300 C</del>
A-7.01	57,000 C
G-117.06	2,320,386 C
H-15	2,747,000 C
<del>H-16</del>	<del>3,096,000 C</del>
<del>I-7</del>	<del>7,496,100 C</del>
I-8	1,126,500 C
K-16	459,000 C
K-25.01	3,749,000 C”

SECTION 74. Any law to the contrary notwithstanding, the appropriations in Act 164, Session Laws of Hawaii 2011, section 36, as amended by Act 106, Session Laws of Hawaii 2012, section 5, as amended by Act 134, Session Laws of Hawaii 2013, section 52, as amended by Act 122, Session Laws of Hawaii 2014, section 6, is amended to read as follows:

“SECTION 52. Any law to the contrary notwithstanding, the appropriations under Act 164, Session Laws of Hawaii 2011, section 36, as amended and renumbered by Act 106, Session Laws of Hawaii 2012, section 5, in the amounts indicated or balances thereof, unallotted, allotted, unencumbered, or encumbered and unrequired, are hereby lapsed:

Item No.	Amount (MOF)
A-1.02	2,000,000 C
<del>A-7</del>	<del>1,149,000 C</del>
A-11	1,500,000 C
A-19.03	2,301,000 C
A-22	2,304,000 C
C-12	900,000 E
C-12	8,550,000 N
D-3	500,000 C
D-3.01	400,000 C
G-21	2,300,000 B
G-28	150,000 B
G-37.02	44,000 B
G-38.01	375,000 B
G-46.01	700,000 B
G-56.02	250,000 B
G-66.02	2,450,000 B
G-76	300 C
G-79	450,000 B
G-80.02	794,000 B
G-95.03	450,000 E
G-95.04	495,000 E
G-102	600,000 C
K-2	7,515,000 C”

## PART VI. ISSUANCE OF BONDS

**SECTION 75. AIRPORT REVENUE BONDS.** The department of transportation may issue airport revenue bonds for airport capital improvement program projects authorized in part II and listed in part IV of this Act and designated to be financed by revenue bond funds or by general obligation bond funds with debt service cost to be paid from special funds, in such principal amount as shall be required to yield the amounts appropriated for the capital improvement program projects, and, if so determined by the department and approved by the governor, any additional principal amount as may be necessary by the department to pay interest on the airport revenue bonds during the estimated period of construction of the capital improvement program project for which the airport revenue bonds are issued, to establish, maintain, or increase reserves for the airport revenue bonds and to pay the expenses of issuance of the bonds. The airport revenue bonds shall be issued pursuant to part III of chapter 39, Hawaii Revised Statutes, as the same may be amended from time to time. The principal of and interest on airport revenue bonds, to the extent not paid from the proceeds of the bonds, shall be payable solely from and secured solely by the revenues from airports and related facilities under the ownership of the State or operated and managed by the department and the aviation fuel taxes levied and paid pursuant to sections 243-4(a)(2) and 248-8, Hawaii Revised Statutes, or such parts of either thereof as the department may determine, including rents, landing fees, and other fees or charges presently or hereafter derived from or arising through the ownership, operation, and management of airports and related facilities and the furnishing and supplying of the services thereof, and passenger facility charges pursuant to section 261-5.5, Hawaii Revised Statutes, as amended, and as determined by the department. The expenses of the issuance of the airport revenue bonds, to the extent not paid from the proceeds of the bonds, shall be paid from the airport revenue fund and passenger facility charge special fund as determined by the department.

The governor, in the governor's discretion, may use the airport revenue fund and passenger facility charge special fund to finance those projects authorized in part II and listed in part IV of this Act where the method of financing is designated to be by airport revenue bond funds; provided further that the governor shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of regular sessions 2016 and 2017.

**SECTION 76. RENTAL MOTOR VEHICLE CUSTOMER FACILITY REVENUE BONDS.** The department of transportation may issue rental motor vehicle customer facility revenue bonds for airport capital improvement program projects relating to consolidated rental car facilities authorized in part II and listed in part IV of this Act and designated to be financed by revenue bond funds with debt service cost to be paid from the rental motor vehicle customer facility charge special funds, as authorized by section 261-5.6, Hawaii Revised Statutes, in a principal amount required to yield the amounts appropriated for the capital improvement program projects, and, if so determined by the department and approved by the governor, any additional principal amount as may be necessary by the department to pay interest on the rental motor vehicle customer facility revenue bonds during the estimated period of construction of the capital improvement program project for which the rental motor vehicle customer facility revenue bonds are issued, to establish, maintain, or increase reserves for the rental motor vehicle customer facility revenue bonds and to pay the expenses of issuance of the bonds. The rental motor vehicle customer facil-

ity revenue bonds shall be issued pursuant to part III of chapter 39, Hawaii Revised Statutes, as the same may be amended from time to time. The principal of and interest on rental motor vehicle customer facility revenue bonds, to the extent not paid from the proceeds of the bonds, shall be payable solely from and secured solely by the revenues from the rental motor vehicle surcharge tax and the rental motor vehicle customer facility charge special fund pursuant to section 261-5.6, Hawaii Revised Statutes, as amended, and as determined by the department. The expenses of the issuance of the rental motor vehicle customer facility revenue bonds, to the extent not paid from the proceeds of the bonds, shall be paid from the rental motor vehicle customer facility charge special fund as determined by the department.

The governor, in the governor's discretion, may use the rental motor vehicle customer facility charge special fund to finance those projects authorized in part II and listed in part IV of this Act where the method of financing is designated to be by rental motor vehicle customer facility revenue bond funds and provided further that the governor shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

**SECTION 77. HARBOR REVENUE BONDS.** The department of transportation may issue harbor revenue bonds for harbor capital improvement program projects authorized in part II and listed in part IV of this Act and designated to be financed by revenue bond funds or by general obligation bond funds with debt service cost to be paid from special funds, in a principal amount required to yield the amounts appropriated for the capital improvement program projects, and, if so determined by the department and approved by the governor, in additional amounts deemed necessary by the department to pay interest on the revenue bonds during the estimated construction period of the capital improvement project for which the harbor revenue bonds are issued to establish, maintain, or increase reserves for the harbor revenue bonds or harbor revenue bonds heretofore authorized (whether authorized and issued or authorized and still unissued), and to pay the expenses of issuance of the bonds. The aforementioned harbor revenue bonds shall be issued pursuant to part III of chapter 39, Hawaii Revised Statutes, as the same may be amended from time to time. The principal of and interest on harbor revenue bonds, to the extent not paid from the proceeds of such bonds, shall be payable solely from and secured solely by the revenues derived from harbors and related facilities under the ownership of the State or operated and managed by the department, including rents, mooring, wharfage, dockage, pilotage fees, and other fees or charges presently or hereafter derived from or arising through the ownership, operation, and management of harbor and related facilities and the furnishing and supplying of the services thereof. The expenses of the issuance of harbor revenue bonds, to the extent not paid from the proceeds of such bonds, shall be paid from the harbor special fund.

The governor, in the governor's discretion, may use the harbor special fund to finance those projects authorized in part II and listed in part IV of this Act where the method of financing is designated to be by harbor revenue bond funds; provided further that the governor shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

**SECTION 78. HIGHWAY REVENUE BONDS.** The department of transportation may issue highway revenue bonds for highway capital improvement program projects authorized in part II and listed in part IV of this Act and designated to be financed by revenue bond funds or by general obligation bond funds with the debt service cost to be paid from special funds, in a principal amount required to yield the amounts appropriated for such capital improvement projects, and, if so determined by the department and approved by the governor, the additional principal amount deemed necessary by the department to pay interest on the highway revenue bonds during the estimated period of construction of the capital improvement project for which the highway revenue bonds are issued, to establish, maintain, or increase reserves for the highway revenue bonds or highway revenue bonds heretofore authorized (whether authorized and issued or authorized and still unissued), and to pay all or any part of the expenses related to the issuance of such highway revenue bonds. The aforementioned highway revenue bonds shall be issued pursuant to the provisions of part III of chapter 39, Hawaii Revised Statutes, as the same may be amended from time to time. The principal of and interest on the highway revenue bonds, to the extent not paid from the proceeds of the highway revenue bonds, shall be payable from and secured by the revenues derived from highways and related facilities under the ownership of the State or operated and managed by the department, from the highway fuel taxes, vehicle weight taxes, and vehicle registration fees, levied and paid pursuant to sections 243-4, 248-8, 249-31, and 249-33, Hawaii Revised Statutes, and federal moneys received by the State or any department thereof that are available to pay principal of and/or interest on indebtedness of the State, or such part of any thereof as the department may determine, and other user taxes, fees, or charges currently or hereafter derived from or arising through the ownership, operation, and management of highways and related facilities and the furnishing and supplying of the services thereof. The expenses related to the issuance of the highway revenue bonds, to the extent not paid from the proceeds of the bonds, shall be paid from the state highway fund.

The governor, in the governor's discretion, may use the state highway fund to finance those projects authorized in part II and listed in part IV of this Act where the method of financing is designated to be by highway revenue bond funds; provided further that the governor shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

## **PART VII. SPECIAL PROVISIONS**

**SECTION 79. GOVERNOR'S DISCRETIONARY POWERS.** Any law or provision to the contrary notwithstanding, the governor may replace general obligation bond funds appropriated for capital improvement projects with general obligation reimbursable bond funds, when the expenditure of such general obligation reimbursable bond funds is deemed appropriate for the project; provided further that the governor shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

**SECTION 80.** All general obligation bond funds used for a public undertaking, improvement, or system designated by the letter (D) shall have the bond principal and interest reimbursed from the special fund in which the net revenue, or net user tax receipts, or combination of both, of the public undertak-

ing, improvement, or system are deposited or credited. Bonds issued for irrigation and housing projects shall be reimbursed as provided by section 174-21 and chapter 201H, Hawaii Revised Statutes, respectively.

The governor may use, in the governor's discretion, the state highway fund, the harbor special fund, the boating special fund, the airport revenue fund, the special land and development fund, or other appropriate special funds to finance the respective public undertaking, improvement, or system described above and authorized in this Act, where the method of financing is designated to be general obligation bond fund with debt service cost to be paid from the funds; provided further that the governor shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 81. If the authorized appropriations specified for a capital improvement project listed in this Act are insufficient and where the source of funding is designated as special funds, general obligation bond fund with debt service costs to be paid from special funds, revenue bond funds, or revolving funds, the governor may make supplemental allotments from the special fund or revolving fund responsible for cash or debt service payments for the projects, or transfer unrequired balances from other unlapsed projects in this Act or prior appropriation acts which authorized the use of special funds, general obligation bond fund with debt service costs to be paid from special funds, revenue bond funds, or revolving funds; provided further that such supplemental allotments shall not be used to increase the scope of the project; provided further that such supplemental allotments shall not impair the ability of the fund to meet the purposes for which it was established; and provided further that the governor shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 82. If the authorized appropriations specified for a capital improvement project listed in this Act are insufficient and where the source of funding is designated as airport passenger facility charge funds, the governor may make supplemental allotments from the airport revenue fund or airport revenue bond funds, or transfer unrequired balances from other unlapsed projects in this Act or prior appropriation acts that authorized the use of airport passenger facility charge funds; provided further that such supplemental allotments shall not be used to increase the scope of the project; provided further that the supplemental allotments shall not impair the ability of the fund to meet the purposes for which it was established; provided further that the governor, at the governor's discretion, may increase the passenger facility charge fund authorization ceiling for the program to accommodate the expenditure of such funds; and provided further that the governor shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 83. The governor may supplement funds for any cost element for a capital improvement project authorized under this Act by transferring such sums as may be needed from the funds appropriated for other cost elements of the same project by this Act or any other prior or future act that has not lapsed; provided that the total expenditure of funds for all cost elements shall not exceed the total appropriations for that project; and provided further that the governor



shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 84. After the objectives and purposes of appropriations made in this Act from the general obligation bond fund for capital improvement projects have been met, unrequired balances, except those from University of Hawaii projects, shall be transferred to the project adjustment fund appropriated in part II and described in part IV of this Act, and shall be considered a supplementary appropriation thereto; provided that all other unrequired allotment balances, unrequired appropriation balances, and unrequired encumbrance balances shall lapse as of June 30, 2018, as provided in section 90 of this Act; and provided further that the governor shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 85. If authorized appropriations specified for capital improvement projects listed in this Act or in any other act currently authorized by the legislature are insufficient, and where the source of funding for the project is designated as the general obligation bond fund, the governor may make supplemental allotments from the project adjustment fund appropriated in part II and described in part IV of this Act to supplement any currently authorized capital investment cost elements; provided that the supplemental allotments from the project adjustment fund shall not be used to increase the scope of the project; and provided further that the governor shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 86. After the objectives and the purposes of appropriations made in this Act for capital investment purposes from the state educational facilities improvement special fund have been met, any unrequired balances shall be transferred to the special funded project adjustment fund for state educational facilities appropriated in part II and described further in part IV of this Act, and shall be considered a supplementary appropriation thereto; provided further that the governor shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 87. In the event that currently authorized appropriations specified for capital investment purposes listed in this Act or in any other act currently authorized by the legislature are insufficient, and where the source of funding for the project is designated as the state educational facilities improvement special fund, the governor may make supplemental allotments from the special funded project adjustment fund for state educational facilities; provided that the supplemental allotments from the special funded project adjustment fund for state educational facilities shall not be used to increase the scope of the project and may only be made to supplement currently authorized capital investment project cost elements; and provided further that the governor shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 88. After the objectives and purposes of appropriations made in this Act from the general obligation bond fund for capital improvement projects for the University of Hawaii have been met, unrequired balances shall be transferred to the University of Hawaii project adjustment fund appropriated in part II and described in part IV of this Act, and shall be considered a supplementary appropriation thereto; provided further that the governor shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 89. If authorized appropriations specified for University of Hawaii capital improvement projects listed in this Act or in any other act currently authorized by the legislature are insufficient, and where the source of funding for the project is designated as the general obligation bond fund, the governor may make supplemental allotments from the University of Hawaii project adjustment fund appropriated in part II and described in part IV of this Act to supplement any currently authorized capital investment cost elements; provided that such supplemental allotments from the project adjustment fund shall not be used to increase the scope of the project; and provided further that the governor shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 90. Any provision of this Act to the contrary notwithstanding, the appropriations made for capital improvement projects authorized under this Act shall not lapse at the end of the fiscal biennium for which the appropriation is made; provided that all appropriations made to be expended in fiscal biennium 2015-2017 which are unencumbered as of June 30, 2018, shall lapse as of that date; and provided further that this lapsing date shall not apply to:

- (1) Appropriations for projects where the means of funding is the state educational facilities improvement special fund, where such appropriations have been authorized for more than three years for the construction or acquisition of public school facilities; and
- (2) Non-general fund appropriations for projects described in section 47 of this Act where such appropriations have been deemed necessary to qualify for federal aid financing and reimbursement and are unencumbered as of June 30, 2022, shall lapse as of that date.

SECTION 91. Where it has been determined that changed conditions, such as a reduction in the particular population being served, permit the reduction in the scope of a capital improvement project described in this Act, the governor may authorize such reduction of project scope; provided further that the governor shall notify the legislature within five days of each use of this authority and submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 92. In releasing funds for capital improvement projects, the governor shall consider legislative intent and the objectives of the user agency and its programs; the scope and level of the user agency's intended service; and the means, efficiency, and economics by which the project will meet the objectives of the user agency and the State; provided that agencies responsible for construction shall take into consideration legislative intent, the objectives of the user agency and its programs, and the scope and level of the user agency's in-

tended service and construct the improvement to meet the objectives of the user agency in the most efficient and economical manner possible.

SECTION 93. With the approval of the governor, designated expending agencies for capital improvement projects authorized in this Act may delegate to other state or county agencies the implementation of projects when it is determined advantageous to do so by both the original expending agency and the agency to which expending authority is to be delegated; provided that the governor shall notify the legislature within five days of each use of this authority and submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 94. Where county capital improvement projects are partially or totally funded by state grants as authorized in this Act or any other act of the legislature, this fact should be appropriately acknowledged during construction and upon completion of these projects.

SECTION 95. The governor may authorize the expenditure of funds for capital improvement projects not previously authorized in this Act to cope with the effects of natural disasters or unforeseen emergencies, when the effects of the natural disasters or unforeseen emergencies create an urgent need to pursue a course of action that is in the best interest of the State; provided that no funds shall be expended without a formal declaration of a natural disaster or emergency by the governor; provided further that the governor shall use the project adjustment fund authorized in part II and described in part IV to accomplish the purposes of this section; and provided further that the governor shall notify the legislature within five days of each use of this authority and submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 96. Notwithstanding any provision in part III of this Act, the governor is authorized to transfer savings or unrequired balances as may be available from the appropriated funds of any program in this Act to supplement the appropriation for any other program in this Act to cope with the effects of natural disasters or other unforeseen emergencies; provided that the effects of such natural disasters or emergencies create an urgent need to pursue a course of action which is in the best interest of the State; provided further that the use of such funds does not conflict with general law; provided further that no funds shall be expended without a formal declaration of a natural disaster or emergency by the governor; and provided further that the governor shall notify the legislature within five days of each use of this authority and submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 97. No appropriation authorized in this Act for expenditure by a political subdivision of this State shall be considered to be a mandate to undertake new programs or to increase the level of services under existing programs of that political subdivision. If any appropriation authorized in this Act constitutes such a mandate within the provisions of section 5 of article VIII of the Hawaii State Constitution, such authorization shall be void and, in the case of capital improvement appropriations designated to be financed from the

general obligation bond fund, the total general obligation bonds authorized for such projects shall be correspondingly decreased.

SECTION 98. Whenever the expending agency to which an appropriation is made is changed due to legislation enacted during any session of the legislature which affects the appropriations made by this Act, the governor shall transfer the necessary funds and positions to the proper expending agency as provided by law.

SECTION 99. In the event the State should assume the direct operation of any non-governmental agency receiving state funds under the provisions of this Act, all such funds shall constitute a credit to the State against the costs of acquiring all or any portion of the property, real, personal, or mixed, of such non-governmental agency. This credit shall be applicable regardless of when such acquisition takes place.

SECTION 100. Any provision of this Act to the contrary notwithstanding, the federal fund or other federal fund appropriations made for operating costs authorized under this Act shall not lapse at the end of the fiscal year for which the appropriation is made; provided that all federal fund or other federal fund appropriations made to be expended in fiscal year 2015-2016 which are unencumbered as of June 30, 2018, shall lapse as of that date and fiscal year 2016-2017 which are unencumbered as of June 30, 2019, shall lapse as of that date.

SECTION 101. If unanticipated federal funding cutbacks diminish or curtail essential, federally-funded state programs, the governor may utilize savings as determined to be available from other state programs for the purpose of maintaining such programs until the next legislative session; provided that the governor shall notify the legislature within five days of each use of this authority and submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 102. The governor may approve the expenditure of all federal funds which are in excess of levels authorized by the legislature; provided that the governor may allow for an increase in the appropriate federal fund authorization ceiling for the program to accommodate the expenditure of such funds; and provided further that the governor shall notify the legislature within five days of each use of this authority and submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 103. Any provision of this Act to the contrary notwithstanding, the governor may approve the extension of the lapse dates for federal fund or other federal fund appropriations and appropriations of other means of financing, except general funds, deemed necessary to qualify for federal aid financing and/or reimbursement, provided in this Act or authorized by the governor pursuant to section 102 of this Act as necessary to meet the intent of the federal grant awards; provided that the governor shall notify the legislature within five days of each use of this authority and submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1

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to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 104. Where an agency is authorized to secure funds or other property from private organizations or individuals to be expended or utilized in connection with any authorized program, the agency, with the governor's approval, may enter into such undertaking; provided that the provisions of the undertaking comply with applicable state constitutional and statutory requirements; provided further that the governor shall notify the legislature within five days of each use of this authority and submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 105. Except as otherwise provided by general law, negotiations for the purchase of land by state agencies shall be subject to the approval of the governor and the department of land and natural resources, or other appropriate agency; provided that private lands may be acquired for the purpose of exchange for federal lands when the department of land and natural resources and the governor determine that such acquisition and exchange are necessary for the completion of any project specifically authorized by this Act.

SECTION 106. Except as otherwise provided, or except as prohibited by specific grant conditions, all federal or non-general fund reimbursements received by state programs shall be returned to the general fund or fund of originating expenses.

SECTION 107. Unless otherwise provided in this Act, the governor is authorized to transfer operating funds between appropriations within the same fund, within an expending agency, for operating purposes; provided that the governor shall submit a report to the legislature within five days of each use of this authority; provided further that the report shall include the date of transfer, the amount of the transfer, the program ID from which funds were transferred, the program ID to which funds were transferred, the impact to the program ID funds are transferred from, and a detailed explanation of the public purposes served by the transfer of resources; and provided further that the governor shall submit to the legislature a summary report containing the aforementioned information for each use of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 108. Except as otherwise provided in this Act, each department or agency is authorized to transfer positions within its respective authorized position ceiling for the purpose of maximizing the utilization of personnel resources and staff productivity; provided that all such actions shall be with the prior approval of the governor and shall be consistent with appropriations provided in this Act and with provisions of part II of chapter 37, Hawaii Revised Statutes; provided further that the governor shall submit a report to the legislature within five days of each use of this authority; provided further that the report shall include the date of the transfer, the position transferred, the program from which the position was transferred, the program to which the position was transferred, responsibilities of the position prior to transfer, the responsibilities of the position after the transfer, and the manner in which the transfer maximizes the utilization of personnel resources and staff productivity; and provided

further that the governor shall submit to the legislature a summary report of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 109. Provided that assistance payments for the general assistance payments (HMS204) shall not exceed \$349 per individual.

SECTION 110. Any law or provision to the contrary notwithstanding, in expending funds for social welfare programs, education programs, and other programs and agencies having appropriations which are based on population and workload data as specified in the executive budget document, only so much as is necessary to provide the level of services intended by the legislature shall be expended. Affected agencies shall reduce expenditures below appropriations under procedures prescribed by the department of budget and finance in the event actual population and workload trends are less than the figures projected; provided that the department of budget and finance shall notify the legislature within five business days of each application of this proviso and submit a report of all applications of this proviso, to the legislature for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 111. With the approval of the governor, agencies that use appropriations authorized in part II of this Act for audit services may delegate that responsibility and transfer funds to the internal post audit program (AGS104), when it is determined by such agencies that it is advantageous to do so.

SECTION 112. With the approval of the governor, expending agencies that use appropriations authorized in part II of this Act for planning, land acquisition, design, construction, and equipment for repair and alterations may delegate responsibility and transfer funds to public works – planning, design, and construction (AGS221) for the implementation of the repair and alterations, when it is determined by the agencies that it is advantageous to do so; provided further that the governor shall submit to the legislature a summary report of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 113. Agencies with appropriations authorized in part II of this Act for risk management costs shall transfer funds authorized for that purpose to risk management (AGS203) for the administration and implementation of state risk management costs and expenses, except as otherwise provided by law.

SECTION 114. With the approval of the governor, the Hawaii health systems corporation in the department of health may transfer to the department of human services funds appropriated to the Hawaii health systems corporation for the care and treatment of patients, whenever the department of human services can utilize such funds to match federal funds which may be available to help finance the cost of outpatient, acute hospital, or long-term care of indigents or medical indigents in designated critical access hospitals.

SECTION 115. With the approval of the governor, the department of health may transfer to the department of human services funds appropriated to

the department of health for the care and treatment of patients, whenever the department of human services can utilize such funds to match federal funds to finance the cost of outpatient, hospital, or skilled nursing home care of indigents or medical indigents; provided further that the governor shall submit to the legislature a summary report of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the 2016 and 2017 regular sessions.

SECTION 116. The department of human services is authorized to enter into agreements with the department of health to furnish outpatient, hospital, and skilled nursing home care of indigents or medical indigents and to pay the department of health for such care; provided further that with the approval of the director of finance, the department of health may deposit part of such receipts into the appropriations from which transfers were made as provided elsewhere in this Act; and provided further that the governor shall submit to the legislature a summary report of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the 2016 and 2017 regular sessions.

SECTION 117. Provided that of the appropriation for each principal state department as defined by section 26-4, Hawaii Revised Statutes, the sum of \$2,500 for fiscal year 2015-2016 and the sum of \$2,500 in fiscal year 2016-2017 shall be made available in each department to be established as a separate account for a protocol fund to be expended at the discretion of the executive head of the department or agency (i.e., director, chairperson, comptroller, adjutant general, superintendent, president, or attorney general).

SECTION 118. Provided that of the general fund appropriation for Hawaii state public library system (EDN407), the sum of \$2,500 for fiscal year 2015-2016 and the sum of \$2,500 for fiscal year 2016-2017 may be used to establish a separate protocol account to be expended at the discretion of the state librarian.

SECTION 119. Provided that of the general fund appropriation for financial administration (BUF115), the sum of \$4,000 for fiscal year 2015-2016 and the sum of \$4,000 for fiscal year 2016-2017 may be used to establish a separate protocol account to be expended at the discretion of the director of finance for the promotion and improvement of state bond ratings and sales.

SECTION 120. Provided that of the special fund appropriation for spectator events and shows - Aloha Stadium (AGS889), the sum of \$2,500 for fiscal year 2015-2016 and the sum of \$2,500 for fiscal year 2016-2017 may be expended at the discretion of the stadium manager for promotion and other stadium-related purposes.

SECTION 121. Except as otherwise provided, the appropriation for the office of the governor (GOV100) shall be expended at the discretion of the governor.

SECTION 122. Except as otherwise provided, the appropriation for the office of the lieutenant governor (LTG100) shall be expended at the discretion of the lieutenant governor.

SECTION 123. Provided that of the appropriations authorized for executive programs in part II of this Act for fiscal year 2015-2016 and fiscal year 2016-2017, settlements and judgments approved by the legislature in H.B. No. 896<sup>5</sup> in the form passed by the legislature, the Claims Bill, shall be funded within each program's departmental allocation for the respective fiscal year.

SECTION 124. Provided that if the amount of settlements and judgments approved by the legislature in H.B. No. 896<sup>5</sup> in the form passed by the legislature, the Claims Bill, exceeds program allocations for fiscal year 2015-2016 or fiscal year 2016-2017, as applicable, for the purposes of meeting such obligations:

- (1) A department, with the approval of the governor, is authorized to utilize allocated savings determined to be available from any other program within the department; and
- (2) Unless otherwise provided by general law, the governor is authorized to transfer funds between allocations of appropriations within a department for the purposes of paying settlements and judgments of a program.

SECTION 125. The director of finance is authorized to expend general fund, special fund, and revolving fund savings or balances determined to be available from authorized general fund, special fund, and revolving fund program appropriations, up to an aggregate total of \$20,000,000 for fiscal year 2015-2016 and \$20,000,000 for fiscal year 2016-2017, for municipal lease payments under financing agreements entered into pursuant to chapter 37D, Hawaii Revised Statutes, to finance the acquisition of depreciable assets, including, but not limited to, automobiles, computers, printers, and telecommunications equipment; provided further that designated expending agencies (including the department of education and the University of Hawaii) for municipal lease payments and for depreciable assets, including, but not limited to, automobiles, computers, printers, and telecommunications equipment authorized in this Act, may delegate to the director of finance the implementation of such acquisitions when it is determined by all involved agencies that it is advantageous to do so; and provided further that the governor shall submit to the legislature a summary report of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2016 and 2017.

SECTION 126. Notwithstanding any provision in part III of this Act, the governor is authorized to transfer savings or unrequired balances as may be available of general funds from any program in this Act to supplement the department of land and natural resources' fire-fighter's contingency fund; provided further that these funds shall be used to prevent, control, and extinguish wildland fires within forest reserves, public hunting areas, wildlife and plant sanctuaries, and natural area reserves, and to fulfill mutual aid agreements in cooperation with fire control agencies of the counties and federal government.

SECTION 127. Provided that the director of finance shall ensure that non-facility per pupil general fund amounts allocated for department of education and charter school students are equal on an annualized fiscal year basis; provided further that, for the purposes of this section, all general fund appropriations for school-based budgeting (EDN100), instructional support (EDN200), state administration (EDN300), and school support (EDN400) shall be considered non-facility appropriations for department of education students; provided



further that, for the purposes of this section, the general fund appropriation for charter schools (EDN600) shall be considered the non-facility appropriation for charter school students; provided further that, for the purposes of this section, all grant appropriations issued pursuant to chapter 42F, Hawaii Revised Statutes, and funds appropriated for teacher recruitment and retention incentive for hard-to-fill positions shall be excluded from non-facility appropriations for the department of education and charter schools; and provided further that, notwithstanding any other law to the contrary, for fiscal year 2015-2016 and fiscal year 2016-2017, the director of finance shall:

- (1) Determine the sum of general fund appropriations made for the department of education and charter school student non-facility costs;
- (2) Determine the sum of department of education and charter school student enrollment based upon verified actual student enrollment counts as of October 15;
- (3) Determine a per pupil amount by dividing the sum of general fund appropriations determined under paragraph (1) by the sum of student enrollment determined under paragraph (2);
- (4) Transfer a general fund amount between the department of education and charter schools prior to November 1, 2015, and November 1, 2016, respectively, that will provide each with a per pupil allocation equal to the amount determined on an annualized fiscal year basis under paragraph (3); and
- (5) Account for all calculations and transfers made pursuant to this section in a report to the legislature, governor, department of education, and charter schools within ten days of any transfer made pursuant to this section.

SECTION 128. Provided that no funds, including federal funds, shall be expended to fill any position not authorized by the legislature; provided further that this prohibition shall not apply to:

- (1) The University of Hawaii and the Hawaii health systems corporation;
- (2) Positions entirely federally funded;
- (3) Positions established pursuant to section 76-16(b) subsections (3), (12), (13), (21), and (23), Hawaii Revised Statutes;
- (4) Positions for special projects approved by the governor; or
- (5) Where an agency has explicit statutory authorization to establish positions to accomplish necessary functions;

provided further that with regard to any of the positions identified in paragraphs (1), (2), (3), (4), or (5) the respective agency or department shall submit a report to the legislature within five days of each use of this provision; and provided further that the report shall include the authority used to establish the position, the date the position was established, the projected date the position will be filled, the amounts projected to be expended in fiscal year 2015-2016 and in fiscal year 2016-2017, the source of funds used to pay for the position, and the functions to be performed by the position.

SECTION 129. Provided that the board of education shall evaluate the feasibility of whether the fees charged for children participating in the after-school plus (A+) program should be set on a sliding scale based on the income of an enrolled child's family, number of enrolled children from the same family, or other factors intended to generate additional revenues for the program in an equitable and efficient manner without discouraging enrollment; and provided further that the board of education shall submit a report to the legislature at

least twenty days prior to the regular session of 2016 on the findings and recommendations of the evaluation and actions taken on fee amounts pursuant to this section.

SECTION 130. Any law to the contrary notwithstanding, the department of transportation shall provide contract provisions in its solicitations for energy performance contracts prohibiting the claiming of the state renewable energy tax credit for work performed for the energy savings contractor.

SECTION 131. Provided that the auditor shall conduct a management and financial audit of the department of human services' KOLEA system, which shall include an evaluation of the procurement of the KOLEA system and the proposed addition of other department of human services program functions, such as supplemental nutrition assistance program and temporary assistance for needy families, all contract modifications, planning for ongoing maintenance and operations for the KOLEA system, effectiveness of staff training on and utilization of the KOLEA system, and an analysis of the KOLEA system's current capabilities; and provided further that the auditor shall submit the findings and recommendations of the audit to the legislature at least twenty days prior to the convening of the regular session of 2016.

SECTION 132. Provided that the director of the Hawaii emergency management agency shall consider requests from public agencies and institutions, including charter schools, for monetary assistance from the major disaster fund that is needed for relief from the Puna lava flow; provided further that the Hawaii emergency management agency shall:

- (1) Identify the requests in most need of assistance that do not have available other public or private funding sources; and
- (2) Recommend to the governor the approval of expenditures from the major disaster fund for the identified requests; and

provided further that the Hawaii emergency management agency shall submit a report to the legislature at least twenty days prior to the regular session of 2016 on the actions taken pursuant to this section.

SECTION 133. If the governor imposes a restriction on an allotment to the department of accounting and general services that may affect the expenditure of the appropriation for school repair and maintenance, neighbor island districts (AGS807), the comptroller shall consult with the superintendent of education before imposing the restriction.

SECTION 134. Provided that when expending any appropriation under this Act to replace motor vehicles, the department of transportation shall replace the motor vehicles in compliance with the department's replacement guidelines.

SECTION 135. Provided that the Hawaii tourism authority shall consider expending at least \$500,000 more in tourism special funds for Hawaiian cultural programs during fiscal year 2015-2016 and fiscal year 2016-2017 than expended during fiscal year 2014-2015; provided further that the authority shall submit a report to the legislature on the actions taken pursuant to this section, including a listing of the Hawaiian cultural programs, funds for which were expended during fiscal year 2014-2015, fiscal year 2015-2016, and fiscal year 2016-2017, and recipients of the funds; and provided further that the report shall be submitted prior to the regular sessions of 2016, 2017, and 2018, as applicable; and provided further that each report shall include an itemization of

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the amounts expended for Hawaiian cultural programs by the Hawaii tourism authority in fiscal year 2014-2015, whether or not the programs were expressly categorized as "Hawaiian cultural programs."

SECTION 136. Provided that the auditor shall conduct a management and financial audit of the energy performance contracts of the department of transportation, which shall include an evaluation of the terms and conditions for the monitoring of utility consumption, determination of utility cost savings to the State, and payments to the contractor; and provided further the auditor shall submit the findings and recommendations of the audit to the legislature no later than twenty days prior to the convening of the regular session of 2016.

### PART VIII. MISCELLANEOUS AND EFFECTIVE DATE

SECTION 137. If any portion of this Act or its application to any person, entity, or circumstance is held to be invalid for any reason, then the legislature declares that the remainder of the Act and each and every other provision thereof shall not be affected thereby. If any portion of a specific appropriation is held to be invalid for any reason, the remaining portion shall be expended to fulfill the objective of such appropriation to the extent possible.

SECTION 138. In the event manifest clerical, typographical or other mechanical errors are found in this Act, the governor is hereby authorized to correct such errors.

SECTION 139. Material to be repealed is bracketed and stricken. New material in prior enacted laws is underscored.

SECTION 140. This Act shall take effect on July 1, 2015; provided that section 69, section 70, section 71, section 72, section 73, and section 74 shall take effect on June 24, 2014.

(Approved June 12, 2015.)

#### Notes

1. SB1299, HD1, CD1 became Act 84.
2. SB101, SD1, HD1, CD1 became Act 118.
3. Prior to amendment "C" appeared here.
4. Prior to amendment "B" appeared here.
5. HB896, HD1, SD2, CD1 became Act 49.

## ACT 120

H.B. NO. 1140

A Bill for an Act Relating to Cesspools.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the State's streams, groundwater, and ocean are being harmed by water pollution from nonpoint contamination sources that flow off the land directly, rather than through pipes or ditches. Cesspools constitute a nonpoint contamination source of grave concern. These substandard systems are essentially holes in the ground that discharge raw, untreated sewage. Groundwater, drinking water sources, streams, and the ocean are

contaminated by cesspool pollution from systems that do not treat wastewater, but merely dispose of it.

The legislature further finds that cesspools in Hawaii release approximately 55,000,000 gallons of untreated sewage into the ground each day. There are approximately 90,000 cesspools in the State, with nearly 50,000 located on Hawaii island, approximately 14,000 on Kauai, over 12,000 on Maui, over 11,000 on Oahu, and over 1,400 on Molokai. Reducing the number of cesspools in the State is a matter of great importance. The legislature additionally finds that cesspools near drinking water wells or within two hundred feet of surface waters and cesspools that are connected to multiple residential dwellings present a higher risk of harm to public health and the environment and should be prioritized by the department of health for upgrade. The department of health indicates that there are approximately 6,860 cesspools in those priority locations.

Priority should be given to cesspool owners who request financial assistance to upgrade, convert, or connect cesspools that: affect public drinking water wells; are within two hundred feet of the shoreline, streams, or wetlands; or are connected to multiple residential dwellings.

The purpose of this Act is to offer financial assistance to owners of cesspools who:

- (1) Upgrade or convert a qualified cesspool into a septic system or an aerobic treatment unit system; or
- (2) Connect a qualified cesspool to a sewer system,

by establishing a cesspool upgrade, conversion, or connection income tax credit.

SECTION 2. Chapter 235, Hawaii Revised Statutes, is amended by adding a new section to part I to be appropriately designated and to read as follows:

**“§235- Cesspool upgrade, conversion, or connection; income tax credit.**

(a) There shall be allowed to each taxpayer subject to the tax imposed under this chapter, a cesspool upgrade, conversion, or connection income tax credit that shall be deductible from the taxpayer's net income tax liability, if any, imposed by this chapter for the taxable year in which the credit is properly claimed.

(b) In the case of a partnership, S corporation, estate, or trust, the tax credit allowable is for qualified expenses incurred by the entity for the taxable year. The expenses upon which the tax credit is computed shall be determined at the entity level. Distribution and share of credit shall be determined by rule.

(c) The cesspool upgrade, conversion, or connection income tax credit shall be equal to the qualified expenses of the taxpayer, up to a maximum of \$10,000; provided that, in the case of a qualified cesspool that is a residential large capacity cesspool, the amount of the credit shall be equal to the qualified expenses of the taxpayer, up to a maximum of \$10,000 per residential dwelling connected to the cesspool, as certified by the department of health pursuant to subsection (e). There shall be allowed a maximum of one cesspool upgrade, conversion, or connection income tax credit per qualified cesspool. The cesspool upgrade, conversion, or connection income tax credit shall be available only for the taxable year in which the taxpayer's qualified expenses are certified by the appropriate government agency.

(d) The total amount of tax credits allowed under this section shall not exceed \$5,000,000 for all taxpayers in any taxable year; provided that any taxpayer who is not eligible to claim the credit in a taxable year due to the \$5,000,000 cap having been exceeded for that taxable year shall be eligible to claim the credit in the subsequent taxable year.

(e) The department of health shall:

- (1) Certify all qualified cesspools for the purposes of this section; provided that, as a pilot program, the department of health, in its discretion, may certify no more than two residential large capacity cesspools as qualified cesspools;
- (2) Collect and maintain a record of all qualified expenses certified by an appropriate government agency for the taxable year; and
- (3) Certify to each taxpayer the amount of credit the taxpayer may claim; provided that if, in any year, the annual amount of certified credits reaches \$5,000,000 in the aggregate, the department of health shall immediately discontinue certifying credits and notify the department of taxation.

The director of health may adopt rules under chapter 91 as necessary to implement the certification requirements under this section.

- (f) The director of taxation:
  - (1) Shall prepare any forms that may be necessary to claim a tax credit under this section;
  - (2) May require the taxpayer to furnish reasonable information to ascertain the validity of the claim for the tax credit made under this section; and
  - (3) May adopt rules under chapter 91 necessary to effectuate the purposes of this section.
- (g) If the tax credit under this section exceeds the taxpayer's income tax liability, the excess of the credit over liability may be used as a credit against the taxpayer's income tax liability in subsequent years until exhausted. All claims for the tax credit under this section, including amended claims, shall be filed on or before the end of the twelfth month following the close of the taxable year for which the credit may be claimed. Failure to comply with the foregoing provision shall constitute a waiver of the right to claim the credit.

(h) This section shall not apply to taxable years beginning after December 31, 2020.

(i) As used in this section:  
 "Aerobic treatment unit system" means an individual wastewater system that consists of an aerobic treatment unit tank, aeration device, piping, and a discharge method that is in accordance with rules adopted by the department of health relating to household aerobic units.

"Cesspool" means an individual wastewater system consisting of an excavation in the ground whose depth is greater than its widest surface dimension, which receives untreated wastewater, and retains or is designed to retain the organic matter and solids discharged into it, but permits the liquid to seep through its bottom or sides to gain access to the underground geographic formation.

"Qualified cesspool" means a cesspool that is certified by the department of health as being:

- (1) Located within:
  - (A) Two hundred feet of a shoreline, perennial stream, or wetland; or
  - (B) A source water assessment program area (two year time of travel from a cesspool to a public drinking water source); or
- (2) A residential large capacity cesspool.

"Qualified expenses" means costs that are necessary and directly incurred by the taxpayer for upgrading or converting a qualified cesspool into a septic system or an aerobic treatment unit system, or connecting a qualified cesspool to a sewer system, and that are certified as such by the appropriate government agency.

“Residential large capacity cesspool” means a cesspool that is connected to more than one residential dwelling.

“Septic system” means an individual wastewater system that typically consists of a septic tank, piping, and a drainage field where there is natural biological decontamination as wastewater discharged into the system is filtered through soil.

“Sewer system” means a system of piping, with appurtenances, for collecting and conveying wastewater from source to discharge following treatment.

“Wastewater” means any liquid waste, whether or not treated and whether animal, mineral, or vegetable, including agricultural, industrial, and thermal wastes.”

**SECTION 3.** New statutory material is underscored.<sup>1</sup>

**SECTION 4.** This Act shall take effect on July 1, 2015, and shall apply to taxable years beginning after December 31, 2015; provided that this Act shall be repealed on December 31, 2020.

(Approved June 12, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 121**

S.B. NO. 284

A Bill for an Act Relating to the Transient Accommodations Tax.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** The purpose of this Act is to establish a method to use transient accommodations tax revenues and moneys from the land conservation fund to reimburse the state general fund for the debt service on reimbursable general obligation bonds, the proceeds of which will be used to acquire a conservation easement and other real property interests in Turtle Bay, Oahu, for the protection, preservation, and enhancement of natural resources important to the State.

The legislature finds and deems that the transient accommodations tax revenues and moneys from the land conservation fund comprise user taxes. The source of funding for the Turtle Bay conservation easement will be reimbursable general obligation bonds issued by the department of budget and finance. The debt service on the reimbursable general obligation bonds will be reimbursed from the transient accommodations tax revenues and moneys from the land conservation fund. The proceeds from the reimbursable general obligation bonds, the transient accommodations tax revenues, and moneys from the land conservation fund will be deposited into the Turtle Bay conservation easement special fund. The role of the department of budget and finance is solely to facilitate the financing of this transaction with the department of land and natural resources purchasing the Turtle Bay conservation easement and other real property interests. The legislature finds that the financing of the Turtle Bay conservation easement and other real property interests is essential to the execution of the transaction and is for a public purpose.

The legislature also finds that the acquisition of the Turtle Bay conservation easement and other real property interests by the department of land and

natural resources is for the purpose of supporting, encouraging, and enhancing the natural beauty of Oahu's north shore, and is land having value as a resource to the State. The legislature further finds that the acquisition of the Turtle Bay conservation easement and other real property interests by the department of land and natural resources is crucial to the protection, preservation, and enhancement of the State's natural resources and to the State's economic well-being, and is for a public purpose.

Specifically, this Act:

- (1) Authorizes the department of budget and finance to issue \$35,000,000 in reimbursable general obligation bonds and to deposit the proceeds into the Turtle Bay conservation easement special fund;
- (2) Appropriates \$35,000,000 out of the Turtle Bay conservation easement special fund for the department of land and natural resources to acquire a conservation easement and other real property interests at Turtle Bay, Oahu;
- (3) Allocates transient accommodations tax revenues of \$1,500,000 annually to the Turtle Bay conservation easement special fund;
- (4) Provides that a nonprofit land conservation organization shall file an application annually with the board of land and natural resources requesting \$1,500,000 from the land conservation fund to be used for the reimbursement of debt service on the Turtle Bay reimbursable general obligation bonds;
- (5) Appropriates \$3,000,000 out of the Turtle Bay conservation easement special fund to reimburse the state general fund for payment of debt service on the reimbursable general obligation bonds; and
- (6) Appropriates \$500,000 from the transient accommodations tax revenues to the department of land and natural resources to pay for appraisal costs, due diligence costs, and closing costs relating to the acquisition of a conservation easement and other real property interests in Turtle Bay, Oahu.

SECTION 2. Chapter 171, Hawaii Revised Statutes, is amended by adding four new sections to be appropriately designated and to read as follows:

**“§171-A Reimbursable general obligation bonds for conservation easement and other real property interests in Turtle Bay, Oahu.** (a) The department of budget and finance shall issue reimbursable general obligation bonds for the department of land and natural resources to acquire a conservation easement and other real property interests in Turtle Bay, Oahu, for the protection, preservation, and enhancement of natural resources, while maintaining public access, as important to the State. The public shall have perpetual public access to said conservation easement. The conservation easement shall be in compliance with chapters 171 and 198. The other real property interests shall be in compliance with chapter 171.

(b) For the purpose of this section, the acquisition of the conservation easement and other real property interests shall be deemed an undertaking under chapter 39.

(c) The reimbursable general obligation bonds issued to acquire the conservation easement and other real property interests shall be payable from the transient accommodations tax revenues allocated to the Turtle Bay conservation easement special fund established by section 171-B and from moneys from the land conservation fund. The transient accommodations tax revenues and moneys from the land conservation fund are and shall be deemed user taxes.

The revenues allocated shall be deemed user taxes pursuant to chapter 39 for the undertaking.

(d) The reimbursable general obligation bonds shall be issued in accordance with chapter 39.

**§171-B Turtle Bay conservation easement special fund.** (a) There is established the Turtle Bay conservation easement special fund to be administered by the department of land and natural resources.

(b) Transient accommodations tax revenues allocated to the Turtle Bay conservation easement special fund pursuant to section 237D-6.5 and moneys from the land conservation fund shall be deposited into the special fund. All interest earned on the moneys in the special fund shall be credited to the special fund.

(c) Moneys in the Turtle Bay conservation easement special fund shall be expended to reimburse the state general fund for payment of debt service on reimbursable general obligation bonds issued to acquire the conservation easement and other real property interests in Turtle Bay, Oahu.

(d) The Turtle Bay conservation easement special fund shall be exempt from the central service expenses of section 36-27 and departmental administrative expenses of section 36-30.

(e) Upon reimbursement to the state general fund of all debt service on reimbursable general obligation bonds issued to acquire the conservation easement in Turtle Bay, Oahu, any unencumbered and unexpended moneys in the Turtle Bay conservation easement special fund shall be transferred to the tourism special fund established under section 201B-11.

**§171-C Turtle Bay appraisal and due diligence.** Any appraisal and due diligence completed by the Hawaii tourism authority may be used by the department of land and natural resources for the acquisition of the Turtle Bay conservation easement and other real property interests.

**§171-D Lease of Turtle Bay lands.** Notwithstanding any law to the contrary, the board of land and natural resources may, without public auction, lease lands purchased in fee simple pursuant to section 171-A, to the grantor of the conservation easement or its successor in interest. The purpose of the lease shall be for the protection, preservation, and enhancement of natural resources, while maintaining public access. The lease rental shall be on a nominal basis, shall not exceed a term of sixty five years, and be upon such other terms and conditions as the board may determine.”

SECTION 3. Chapter 173A, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§173A- Payment of debt service on the Turtle Bay reimbursable general obligation bonds.** Notwithstanding any laws to the contrary:

- (1) Beginning July 1, 2015, a nonprofit land conservation organization shall file an application annually with the board requesting \$1,500,000 from the land conservation fund to be used for the reimbursement of debt service on the Turtle Bay reimbursable general obligation bonds until the bonds are fully amortized;
- (2) The board shall not require the nonprofit land conservation organization that is the recipient of a grant for the payment of debt service on the Turtle Bay reimbursable general obligation bonds to provide any additional matching funds; and



- (3) Moneys awarded for the payment of debt service on the Turtle Bay reimbursable general obligation bonds shall be deposited into the Turtle Bay conservation easement special fund.”

SECTION 4. Section 87A-42, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

“(d) In any fiscal year subsequent to the 2017-2018 fiscal year in which a county public employer’s contributions into the fund are less than the amount of the annual required contribution, the amount that represents the excess of the annual required contribution over the county public employer’s contributions shall be deposited into the fund from a portion of all transient accommodations tax revenues collected by the department of taxation under section ~~[237D-6.5(b)(3)] 237D-6.5(b)(4)~~. The director of finance shall deduct the amount necessary to meet the county public employer’s annual required contribution from the revenues derived under section ~~[237D-6.5(b)(3)] 237D-6.5(b)(4)~~ and transfer the amount to the board for deposit into the appropriate account of the separate trust fund.”

SECTION 5. Section 171-19, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) There is created in the department a special fund to be designated as the “special land and development fund”. Subject to the Hawaiian Homes Commission Act of 1920, as amended, and section 5(f) of the Admission Act of 1959, all proceeds of sale of public lands, including interest on deferred payments; all moneys collected under section 171-58 for mineral and water rights; all rents from leases, licenses, and permits derived from public lands; all moneys collected from lessees of public lands within industrial parks; all fees, fines, and other administrative charges collected under this chapter and chapter 183C; a portion of the highway fuel tax collected under chapter 243; all moneys collected by the department for the commercial use of public trails and trail accesses under the jurisdiction of the department; transient accommodations tax revenues collected pursuant to section ~~[237D-6.5(b)(2)] 237D-6.5(b)(5)~~; and private contributions for the management, maintenance, and development of trails and accesses shall be set apart in the fund and shall be used only as authorized by the legislature for the following purposes:

- (1) To reimburse the general fund of the State for advances made that are required to be reimbursed from the proceeds derived from sales, leases, licenses, or permits of public lands;
- (2) For the planning, development, management, operations, or maintenance of all lands and improvements under the control and management of the board<sup>[5]</sup> pursuant to title 12, including but not limited to permanent or temporary staff positions who may be appointed without regard to chapter 76; provided that transient accommodations tax revenues allocated to the fund shall be expended as provided in section 237D-6.5(b)(5);
- (3) To repurchase any land, including improvements, in the exercise by the board of any right of repurchase specifically reserved in any patent, deed, lease, or other documents or as provided by law;
- (4) For the payment of all appraisal fees; provided that all fees reimbursed to the board shall be deposited in the fund;
- (5) For the payment of publication notices as required under this chapter; provided that all or a portion of the expenditures may be charged to the purchaser or lessee of public lands or any interest therein under rules adopted by the board;

- (6) For the management, maintenance, and development of trails and trail accesses under the jurisdiction of the department;
- (7) For the payment to private land developers who have contracted with the board for development of public lands under section 171-60;
- (8) For the payment of debt service on revenue bonds issued by the department, and the establishment of debt service and other reserves deemed necessary by the board;
- (9) To reimburse the general fund for debt service on general obligation bonds issued to finance departmental projects, where the bonds are designated to be reimbursed from the special land and development fund;
- (10) For the protection, planning, management, and regulation of water resources under chapter 174C; and
- (11) For other purposes of this chapter.”

SECTION 6. Section 201B-8, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Moneys in the convention center enterprise special fund shall be used by the authority for the payment of any and all of the following:

- (1) Debt owed to the department of budget and finance relating to the convention center[; provided that, after the restructuring required by section 5 of Act 81, Session Laws of Hawaii 2014, the annual debt service payment owed to the department shall not exceed \$16,500,000 from fiscal year 2014-2015 until fully retired]; and
- (2) Expenses arising from any and all use, operation, maintenance, alteration, improvement, or any unforeseen or unplanned repairs of the convention center, including without limitation the food and beverage service and parking service provided at the convention center facility, the sale of souvenirs, logo items, or other items, for any future major repair, maintenance, and improvement of the convention center facility as a commercial enterprise or as a world class facility for conventions, entertainment, or public events, and for marketing the facility pursuant to section 201B-7(a)(7).”

SECTION 7. Section 237D-6.5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Revenues collected under this chapter shall be distributed [as follows,] in the following priority, with the excess revenues to be deposited into the general fund:

- (1) \$1,500,000 shall be allocated to the Turtle Bay conservation easement special fund beginning July 1, 2015, for the reimbursement to the state general fund of debt service on reimbursable general obligation bonds, including ongoing expenses related to the issuance of the bonds, the proceeds of which were used to acquire the conservation easement and other real property interests in Turtle Bay, Oahu, for the protection, preservation, and enhancement of natural resources important to the State, until the bonds are fully amortized;
- [4] (2) \$26,500,000 shall be allocated to the convention center enterprise special fund established under section 201B-8;
- [2] (3) \$82,000,000 shall be allocated to the tourism special fund established under section 201B-11; provided that:

- (A) Beginning on July 1, 2012, and ending on June 30, 2015, \$2,000,000 shall be expended from the tourism special fund for development and implementation of initiatives to take advantage of expanded visa programs and increased travel opportunities for international visitors to Hawaii;
  - (B) Of the \$82,000,000 allocated:
    - (i) \$1,000,000 shall be allocated for the operation of a Hawaiian center and the museum of Hawaiian music and dance at the Hawaii convention center; and
    - (ii) 0.5 per cent of the \$82,000,000 shall be transferred to a sub-account in the tourism special fund to provide funding for a safety and security budget, in accordance with the Hawaii tourism strategic plan 2005-2015; and
  - (C) Of the revenues remaining in the tourism special fund after revenues have been deposited as provided in this paragraph and except for any sum authorized by the legislature for expenditure from revenues subject to this paragraph, beginning July 1, 2007, funds shall be deposited into the tourism emergency trust fund, established in section 201B-10, in a manner sufficient to maintain a fund balance of \$5,000,000 in the tourism emergency trust fund;
- [~~(3)~~] (4) \$103,000,000 for fiscal year 2014-2015, \$103,000,000 for fiscal year 2015-2016, and \$93,000,000 for each fiscal year thereafter shall be allocated as follows: Kauai county shall receive 14.5 per cent, Hawaii county shall receive 18.6 per cent, city and county of Honolulu shall receive 44.1 per cent, and Maui county shall receive 22.8 per cent; provided that commencing with fiscal year 2018-2019, a sum that represents the difference between a county public employer's annual required contribution for the separate trust fund established under section 87A-42 and the amount of the county public employer's contributions into that trust fund shall be retained by the state director of finance and deposited to the credit of the county public employer's annual required contribution into that trust fund in each fiscal year, as provided in section 87A-42, if the respective county fails to remit the total amount of the county's required annual contributions, as required under section 87A-43; and
- [~~(4)~~] ~~\$3,000,000 shall be allocated to the Turtle Bay conservation easement special fund established under section 201B-8.6 for the payment of debt service on revenue bonds, the proceeds of which were used to acquire the conservation easement in Turtle Bay, Oahu, until the bonds are fully amortized; and]~~
- (5) Of the excess revenues deposited into the general fund pursuant to this subsection, \$3,000,000 shall be allocated subject to the mutual agreement of the board of land and natural resources and the board of directors of the Hawaii tourism authority in accordance with the Hawaii tourism authority strategic plan for:
    - (A) The protection, preservation, and enhancement of natural resources important to the visitor industry;
    - (B) Planning, construction, and repair of facilities; and
    - (C) Operation and maintenance costs of public lands connected with enhancing the visitor experience.

All transient accommodations taxes shall be paid into the state treasury each month within ten days after collection and shall be kept by the state director of finance in special accounts for distribution as provided in this subsection.

As used in this subsection, "fiscal year" means the twelve-month period beginning on July 1 of a calendar year and ending on June 30 of the following calendar year."

SECTION 8. Section 201B-8.5, Hawaii Revised Statutes, is repealed.

SECTION 9. Section 201B-8.6, Hawaii Revised Statutes, is repealed.

SECTION 10. Act 81, Session Laws of Hawaii 2014, is amended by repealing sections 5 through 8.

~~["SECTION 5. (a) The executive director of the Hawaii tourism authority and the director of finance shall enter into negotiations to restructure the debt owed to the department of budget and finance for the convention center so that the annual amount payable on the debt service is not more than \$16,500,000 until fully retired.~~

~~(b) If the debt is not restructured as required under subsection (a), no state funds, including revenue bond funds, shall be expended to acquire any conservation easement or other real property interest in Turtle Bay, Oahu, notwithstanding the authorization under section 201B-A, Hawaii Revised Statutes, and sections 6 and 7 of this Act.~~

~~SECTION 6. (a) The board of directors of the Hawaii tourism authority, with the approval of the governor, is authorized to issue revenue bonds in the sum of \$40,000,000 or so much thereof as may be necessary for fiscal year 2014-2015 for the purpose of acquiring a conservation easement in Turtle Bay, Oahu, as authorized under section 201B-A, Hawaii Revised Statutes.~~

~~(b) The board of directors, with the approval of the governor, shall issue the revenue bonds under such terms, conditions, and maturity dates that do not require any debt service payment to exceed \$3,000,000 in any fiscal year.~~

~~(c) If the board of directors cannot issue revenue bonds in accordance with the conditions of this section or section 201B-A or chapter 39, part III, Hawaii Revised Statutes, no state funds shall be expended to acquire any conservation easement or other real property interest in Turtle Bay, Oahu.~~

~~SECTION 7. There is appropriated out of the revenue bond proceeds authorized by section 6 of this Act the sum of \$40,000,000 or so much thereof as may be necessary for fiscal year 2014-2015 to carry out the purpose of section 6; provided that any unexpended or unencumbered balance of the appropriation shall not lapse at the end of fiscal year 2014-2015 and shall lapse instead on June 30, 2016.~~

~~The sum appropriated shall be expended by the Hawaii tourism authority for the purpose of this Act.~~

~~SECTION 8. This Act shall not be severable. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, then the entire Act shall be invalid."]~~

SECTION 11. (a) The department of budget and finance, with the approval of the governor, is authorized to issue reimbursable general obligation bonds in the sum of \$35,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 for the purpose of acquiring a conservation easement and other real property interests in Turtle Bay, Oahu, and the same sum shall be deposited into the Turtle Bay conservation easement special fund.

(b) The department of budget and finance, with the approval of the governor, shall issue the reimbursable general obligation bonds in such aggregate principal amount and under such terms, conditions, and maturity dates such that the required payments of principal and interest on the reimbursable general obligation bonds shall not exceed \$3,000,000 in any fiscal year.

SECTION 12. There is appropriated out of the Turtle Bay conservation easement special fund the sum of \$35,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 to finance the acquisition of a conservation easement and other real property interests in Turtle Bay, Oahu.

The sum appropriated shall be expended by the department of land and natural resources for the purposes of this Act.

SECTION 13. There is appropriated out of the Turtle Bay conservation easement special fund the sum of \$3,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 for the reimbursement of the state general fund for the payment of debt service on the reimbursable general obligation bonds.

The sum appropriated shall be expended by the department of land and natural resources for the purposes of this Act.

SECTION 14. Of the excess revenues deposited into the general fund pursuant to section 237D-6.5(b), Hawaii Revised Statutes, \$500,000, or so much thereof as may be necessary for fiscal year 2015-2016 shall be appropriated to the department of land and natural resources to pay for appraisal costs, due diligence costs, and closing costs relating to the acquisition of the Turtle Bay conservation easement and other real property interests.

The sum appropriated shall be expended by the department of land and natural resources for the purposes of this Act.

SECTION 15. In codifying the new sections added by section 2 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 16. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

SECTION 17. This Act shall take effect upon approval; provided that:

- (1) If a contract to acquire the Turtle Bay Conservation easement has not been entered into by December 31, 2015, part I of the Act shall be repealed on January 1, 2016;<sup>2</sup>
- (2) The amendments made to section 36-27(a), Hawaii Revised Statutes, by Section 2 of this Act shall not be repealed when that section is reenacted on June 30, 2015, pursuant to Act 79, Session Laws of Hawaii 2009; and<sup>2</sup>
- (3) The amendments made to section 36-30(a), Hawaii Revised Statutes, by Section 2 of this Act shall not be repealed when that section is reenacted on June 30, 2015, pursuant to Act 79, Session Laws of Hawaii 2009.<sup>2</sup>

(Approved June 12, 2015.)

Notes

1. Edited pursuant to HRS §23G-16.5.

2. So in original.

A Bill for an Act Relating to Health.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the use of electronic smoking devices is prevalent among adolescents in Hawaii. According to recent figures from six Hawaii high schools, among the ninth and tenth grade students, twenty-nine percent have used electronic smoking devices at least once and eighteen percent use them regularly. This sample's rate of electronic smoking device use by adolescents is considerably higher than rates in current studies of adolescents in other areas of the United States.

The legislature further finds that electronic smoking devices are popular among adolescents and the majority regard electronic smoking devices as healthier than cigarettes. However, using electronic smoking devices in most instances exposes adolescents to nicotine, which is a highly addictive substance. Therefore, in addition to preventing electronic smoking device use by adolescents, more research is needed to test why electronic smoking devices appeal to adolescents and whether using electronic smoking devices carries more benefits than risks.

SECTION 2. Chapter 321, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

**"PART . TOBACCO PRODUCTS**

**§321-A Definitions.** As used in this part:

"Electronic smoking device" means any electronic product that can be used to aerosolize and deliver nicotine or other substances to the person inhaling the device, an electronic cigarette, electronic cigar, electronic cigarillo, or electronic pipe, and any cartridge or other component of the device or related product.

"Possession" means knowingly having direct physical control at a given time or knowingly having the power and the intention, at a given time, to exercise dominion or control, including the actual use of the tobacco product.

"Tobacco product" means tobacco in any form, including an electronic smoking device, cigarettes, cigars, snuff, and chewing tobacco, that is prepared or intended for consumption by, or the personal use of, humans.

**§321-B Tobacco products; possession or consumption prohibited.** Possession or consumption of a tobacco product by a person under twenty-one years of age in a public place shall be prohibited.

**§321-C Exemptions.** This part shall not apply to:

- (1) Any person under twenty-one years of age, with parental authorization, who is participating in a controlled purchase as part of a law enforcement activity or a study authorized by the department of health under the supervision of law enforcement to determine the level of incidence of tobacco sales to persons under twenty-one years of age; or
- (2) Possession of tobacco products by a person under twenty-one years of age in the course of delivery, pursuant to the direction of the person's employer lawfully engaged in business necessitating the delivery.

**§321-D Enforcement; rules.** Any person under twenty-one years of age who violates section 321-B shall be fined \$10 for the first offense. Any subsequent offense shall subject the violator to a fine of \$50, no part of which shall be suspended, or the person shall be required to perform not less than forty-eight hours nor more than seventy-two hours of community service during hours when the person is not employed and is not attending school.”

SECTION 3. Section 709-908, Hawaii Revised Statutes, is amended to read as follows:

**“§709-908 Tobacco products and electronic smoking devices [~~prohibited; minors; persons under twenty-one years of age.~~]**

(1) [~~It~~] Effective January 1, 2016, it shall be unlawful to sell or furnish a tobacco product in any shape or form[, including chewing tobacco and snuff,] or an electronic smoking device to a [~~minor~~] person under [~~eighteen~~] twenty-one years of age.

(2) [~~Signs~~] Effective January 1, 2016, signs using the statement, “The sale of tobacco products or electronic smoking devices to persons under [~~eighteen~~] twenty-one is prohibited”, shall be posted on or near any vending machine in letters at least one-half inch high and at or near the point of sale of any other location where tobacco products or electronic smoking devices are sold in letters at least one-half inch high.

(3) It shall be unlawful for a [~~minor~~] person under [~~eighteen~~] twenty-one years of age to purchase any tobacco product[, as described under subsection (1)], or [~~an~~] electronic smoking device, as [~~described under~~] those terms are defined in subsection (5). This provision does not apply if a person under the age of [~~eighteen~~,] twenty-one, with parental authorization, is participating in a controlled purchase as part of a law enforcement activity or a study authorized by the department of health under the supervision of law enforcement to determine the level of incidence of tobacco or electronic smoking devices sales to [~~minors~~] persons under twenty-one years of age.

(4) Any person who violates subsection (1) or (2), or both, shall be fined \$500 for the first offense. Any subsequent offenses shall subject the person to a fine not less than \$500 nor more than \$2,000. Any [~~minor~~] person under [~~eighteen~~] twenty-one years of age who violates subsection (3) shall be fined \$10 for the first offense. Any subsequent offense shall subject the violator to a fine of \$50, no part of which shall be suspended, or the person shall be required to perform not less than forty-eight hours nor more than seventy-two hours of community service during hours when the person is not employed and is not attending school.

(5) For the purposes of this section:

“Electronic smoking device” means any electronic product that can be used to [~~simulate smoking in the delivery of~~] aerosolize and deliver nicotine or other substances to the person inhaling from the device, including but not limited to an electronic cigarette, electronic cigar, electronic cigarillo, or electronic pipe, and any cartridge or other component of the device or related product.

“Tobacco product” means any product made or derived from tobacco that contains nicotine or other substances and is intended for human consumption or is likely to be consumed, whether smoked, heated, chewed, absorbed, dissolved, inhaled, or ingested by other means. “Tobacco product” includes but is not limited to a cigarette, cigar, pipe tobacco, chewing tobacco, snuff, snus, or an electronic smoking device. “Tobacco product” does not include drugs, devices, or combination products approved for sale by the United States Food and

Drug Administration, as those terms are defined in the Federal Food, Drug and Cosmetic Act.”

SECTION 4. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 5. In codifying the new sections added by section 2 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect on January 1, 2016.

(Approved June 19, 2015.)

**ACT 123**

H.B. NO. 525

A Bill for an Act Relating to State Parks.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 184, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§184- Smoking or use of tobacco products prohibited.** (a) Within the state park system, it shall be unlawful for any person to engage in:

- (1) Smoking; or
- (2) The use of tobacco products;

provided that the department may designate exclusive use areas that shall not be subject to this section.

(b) Clearly legible signs shall be conspicuously posted at each park; provided that any signs posted by the department pursuant to this section shall use letters of not less than one inch in height.

(c) For purposes of this section:

“Cigar” means any roll for smoking made wholly or in part of tobacco if the product is wrapped in any substance containing tobacco.

“Cigarette” means any roll for smoking that:

- (1) Is made wholly or in part of tobacco, irrespective of size or shape or whether the tobacco is flavored, adulterated, or mixed with any other ingredient; and
- (2) Has a wrapper or cover that is made of paper or any other substance or material other than tobacco.

“Electronic smoking device” means any electronic product that can be used to simulate smoking in the delivery of nicotine or other substances to the person inhaling from the device, including but not limited to an electronic cigarette, electronic cigar, electronic cigarillo, or electronic pipe, and any cartridge or other component of the device or related product.

“Smoking” means inhaling or exhaling upon, burning, or carrying any lit cigarette, cigar, or pipe or the use of an electronic smoking device.

“Tobacco products” means tobacco in any form, other than cigarettes, that is prepared or intended for consumption or for personal use by humans,



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including cigars and any substitutes thereof other than cigarettes that bear the semblance thereof, snuff, chewing or smokeless tobacco, and smoking or pipe tobacco.”

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. New statutory material is underscored.<sup>1</sup>

SECTION 4. This Act shall take effect on July 1, 2015.

(Approved June 19, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 124**

S.B. NO. 181

A Bill for an Act Relating to Veterans.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to allow the department of education to continue, until June 30, 2020, awarding high school diplomas to qualified veterans who did not receive a high school diploma as a result of compulsory induction into active service in the armed services of the United States or any person whose high school education was interrupted due to wartime practices such as internment during World War II.

SECTION 2. Act 133, Session Laws of Hawaii 2012, is amended by amending section 75 to read as follows:

“SECTION 75. This Act shall take effect upon its approval; provided that section 38 shall take effect on June 30, [~~2015.~~] 2020.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on June 29, 2015.

(Approved June 19, 2015.)

**ACT 125**

H.B. NO. 346

A Bill for an Act Relating to the Civil Process.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 607-4, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

“(d) Fees of sheriff, deputy sheriff, police officer, or independent civil process server from the department of public safety’s list under section 353C-10[:

- (1) For serving any criminal summons, warrant, attachment, or other criminal process, \$30 effective July 1, 2001. This fee is payable to a sheriff, deputy sheriff, or police officer. Service of criminal summons, warrant, attachment, or other criminal process shall be made only by persons authorized to serve criminal summons.
- (2) For serving any civil summons, warrant, attachment, or other civil process, \$25 effective July 1, 2001.
- (3) For every copy of an attachment and inventory of the property attached, served upon the defendant, \$2.
- (4) For serving any execution, 12 cents for every \$1 collected up to \$500, and 7 cents for every \$1 over \$500.
- (5) For serving: subpoena, \$25; and subpoena duces tecum or garnishee summons, \$15 effective July 1, 2001.
- (6) For every mile of travel, more than one, in serving any process, 40 cents; provided that:
  - (A) No allowance shall be made where the serving individual uses a conveyance furnished the serving individual by the State, or any political or municipal subdivision thereof;
  - (B) Where the serving individual serves more than one person in the course of one trip, the serving individual shall not charge, in the aggregate for all services, more than the mileage for the entire trip; and
  - (C) As far as practicable, in order to minimize the mileage fees for the service, the sheriff or police chief of the serving police officers, or independent civil process servers, where service of process is to be made upon an island other than that upon which is situated the court issuing the process, shall cause the process to be transmitted to the sheriff, deputy sheriff, the chief of police, a police officer, or an independent civil process server upon the island of service, who shall make the service upon receipt of the process; and the service shall be valid, notwithstanding that the process may not be addressed to the individual actually making the service or to the individual’s superior.

In lieu of any fee under this subsection, the fee may be an hourly rate of not less than \$50 per hour agreed upon in advance between the party requesting the service and the sheriff, deputy sheriff, police officer, or independent civil process server performing the service.] shall be as provided under section 607-8(a).”

SECTION 2. Section 607-8, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) For all necessary travel in making the service, per mile for every mile more than one...[40] 60 cents provided that:

- (1) No allowance shall be made where the serving individual uses a conveyance furnished the serving individual by the State, or any political or municipal subdivision thereof;
- (2) Where the serving individual serves more than one person in the course of one trip, the serving individual shall not charge, in the aggregate for all services more than the mileage for the entire trip; and
- (3) As far as practicable, in order to minimize the mileage fees for the service, the sheriff or chief of police of the serving police officers, or independent civil process server from the department of public safety’s list under section 353C-10 shall cause the process to be

transmitted to the sheriff, deputy sheriff, the chief of police, a police officer, or an independent civil process server upon the island of service who shall make the service upon receipt of the process; and the service shall be valid, notwithstanding that the process may not be addressed to the individual actually making the service or to the individual's superior.

For serving criminal summons or any other criminal process except a subpoena, for each person served therewith ..... \$30 effective July 1, 2001. Service of criminal summons or any other criminal process shall be made only by persons authorized to serve criminal summons.

For serving civil summons, subpoena, subpoena duces tecum, or any other civil process, except [a subpoena or] a garnishee summons, for each person served therewith ..... [~~\$25~~] \$43 effective July 1, [~~2001~~] 2015.

For serving: [~~subpoena, for each person, \$25; and subpoena duces tecum or] garnishee summons, for each person ..... [~~\$15~~] \$30 effective July 1, [~~2001~~] 2015.~~

For returning as unserved after due and diligent search any process when it has been found that the person to be served has left the State ..... [~~\$5~~] \$10 effective July 1, [~~2001~~] 2015.

For serving any execution or other process for the collection of money, for every dollar collected up to [~~\$1,000~~] \$10,000 ..... 5 cents.

And for every dollar over [~~\$1,000~~] \$10,000 ... 2-1/2 cents.

All fees paid to any printer for publishing an advertisement of the sale of any property.

For every bill of sale ..... [~~\$2~~] \$4.

For executing and acknowledging a deed pursuant to a sale of real estate to be paid by the grantee in the deed..... [~~\$8~~] \$10.

For drawing any bond required by law..... [~~\$2~~] \$4.

For serving writ of possession or restitution, putting any person entitled into the possession of premises, and removing a tenant pursuant to order of court ..... [~~\$25~~] \$40.

Together with all necessary expenses incurred by the individual serving the writ, incident to the eviction.

For selling any property on an order from the court other than an execution, the same allowance as for service and sales by execution.

The fees for service of executions, attachments, and collection of judgments, together with all costs incurred after judgment rendered, not included in the judgment, in all courts of the State, shall be collected in addition to the sum directed to be levied and collected in the writ.

In lieu of any fee under this subsection, the fee may be an hourly rate of not less than \$50 per hour agreed upon in advance between the party requesting the service and the sheriff, deputy sheriff, police officer, or independent civil process server performing the service."

SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval; provided that the amendments made to sections 607-4(d) and 607-8(a), Hawaii Revised Statutes, under sections 1 and 2 of this Act, shall not be repealed when those sections

are reenacted on June 30, 2015, pursuant to section 25 of Act 116, Session Laws of Hawaii 2013.

(Approved June 19, 2015.)

## ACT 126

H.B. NO. 1471

A Bill for an Act Relating to the Funding of Government Programs.

*Be It Enacted by the Legislature of the State of Hawaii:*

### PART I

SECTION 1. The purpose of this Act is to address the funding of government programs.

More specifically, this Act:

- (1) Makes an appropriation to the legislative reference bureau for an invasive species study;
- (2) Forces the lapse of certain appropriations for fiscal year 2014-2015 that are not expected to be expended; and
- (3) Re-appropriates some of the lapsed appropriations.

The legislature finds that this Act enables the savings of the forced lapses to be identified as part of the carryover balance for fiscal year 2014-2015 in the state financial plan. The legislature finds that this approach is more efficient than simply allowing the unexpended and unencumbered amounts to lapse. Because lapsed appropriations do not become known until after the fiscal year ends, the legislature is unable to consider lapsed appropriations when making budgetary decisions during the regular session immediately preceding the lapse date.

The legislature emphasizes that the repeal or reduction of the appropriations in this Act does not represent discontinuation of support for the de-funded programs. The intent of this Act is to make more general funds available for the state financial plan.

The legislature also finds that the lapsing, repeal, or reduction of the appropriations for fiscal year 2014-2015 by this Act is not intended to reduce the base budget of the affected programs.

### PART II

SECTION 2. The legislature finds that the invasion of Hawaii by insects, disease-bearing organisms, snakes, weeds, and other pests is a major threat to the State's economy, natural environment, and health. The legislature further finds that immediate action is needed to mitigate the threats and impacts of invasive species.

The legislature previously recognized the critical importance of eliminating invasive species in Hawaii by adopting Senate Concurrent Resolution No. 45, H.D. 1 (2001), and by passing Act 85, Session Laws of Hawaii 2003. Senate Concurrent Resolution No. 45, H.D. 1 (2001), resulted in the 2002 legislative reference bureau study "Filling the Gaps in the Fight Against Invasive Species," and Act 85, Session Laws of Hawaii 2003, resulted in the creation of the interagency Hawaii invasive species council to provide policy level direction, coordination, and planning among agencies. The Hawaii invasive species council has disbursed funds on an annual basis to support critical invasive species prevention, control, outreach, research, and planning projects that enhance or supplement existing departmental projects.

The legislative reference bureau study "Filling the Gaps in the Fight Against Invasive Species," estimated the annual cost to address invasive species issues in Hawaii at \$50,000,000. The original goal for an annual Hawaii invasive species council budget was \$5,000,000 from the general fund, though the initial approved appropriation in fiscal year 2005 was \$2,000,000. From fiscal years 2010-2013, no general funds were provided. In fiscal year 2014, \$750,000 was provided from the general fund. In fiscal year 2015, \$5,750,000 was provided from the general fund. The legislature finds that a continued commitment to having the best possible understanding, science, plans, and capacity is necessary to maintain and enhance invasive species prevention and mitigation in Hawaii, to effectively protect the State's natural resources and economy and the health and lifestyle of its people.

The purpose of this part is to provide moneys for and direct the legislative reference bureau to update its 2002 study titled "Filling the Gaps in the Fight Against Invasive Species."

SECTION 3. (a) The legislative reference bureau shall update its 2002 study "Filling the Gaps in the Fight Against Invasive Species;" provided that the legislative reference bureau shall consult with relevant government and non-government organizations, experts, and individuals in its analysis; provided further that the bureau shall update its study to the extent necessary to describe the present scope of the invasive species problem in Hawaii; economic and other costs to Hawaii; health and safety issues; state, federal, county, and non-government roles and responsibilities; gaps and leaks in prevention and response systems; and recommendations related to policy, programs, and funding to address invasive species.

(b) The legislative reference bureau may contract the services of another entity to perform any economic modeling or any related services that may be required pursuant to this section. Any contract for services executed pursuant to this section shall be exempt from chapter 103D, Hawaii Revised Statutes.

(c) The legislative reference bureau shall submit the updated study to the legislature no later than twenty days prior to the convening of the regular session of 2016.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000 or so much thereof as may be necessary for fiscal year 2015-2016 for contracting for services to update the 2002 study "Filling the Gaps in the Fight Against Invasive Species."

The sum appropriated shall be expended by the legislative reference bureau for the purposes of this part.

### PART III

SECTION 5. The purpose of this part is to provide general funds for the juvenile justice reform initiative for the 2015-2017 fiscal biennium. The general funds are provided from a portion of the appropriation for the Hawaii youth correctional facility for fiscal year 2014-2015 that is expected to lapse on June 30, 2015. The legislature finds that the appropriation rightfully should be re-used for the juvenile justice reform initiative instead of lapsing into the general fund for expenditure on other programs.

The legislature emphasizes its intent that the appropriation made in this part take effect only if the requisite general fund appropriation is lapsed pursuant to section 6.

The legislature intends that the appropriation in this part for the juvenile justice reform initiative be additional to any other appropriation that may be made in the General Appropriations Act of 2015.

The legislature also intends that, under this part, the base budget for the Hawaii youth correctional facility shall not be reduced by the amount lapsed under section 6 of this Act.

SECTION 6. Act 134, Session Laws of Hawaii 2013, as amended by Act 122, Session Laws of Hawaii 2014, is amended by adding a new section to part III, social services, to be appropriately designated and to read as follows:

“SECTION A. Provided that of the general fund appropriation for the Hawaii youth correctional facility (HMS503) for fiscal year 2014-2015, \$1,200,000 shall not be expended and shall lapse on June 30, 2015.”

SECTION 7. Except as otherwise provided under section 8, there is appropriated out of the general revenues of the State of Hawaii the sum of \$600,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 for the juvenile justice reform initiative of the office of youth services.

The sums appropriated shall be expended by the department of human services for the purposes of this part.

SECTION 8. Section 7 shall not take effect unless the general fund appropriation for fiscal year 2014-2015 that is restricted and lapsed by section 6 lapses pursuant to that section.

#### PART IV

SECTION 9. The purpose of this part is to provide general funds for the agricultural loan revolving fund and appropriate those proceeds for agricultural loans.

The general funds are provided from portions of the appropriation for the department of agriculture for fiscal year 2014-2015 that are expected to lapse on June 30, 2015. The legislature finds that the appropriation rightfully should be re-used for a program of the department of agriculture instead of lapsing into the general fund for expenditure on other programs.

The legislature emphasizes its intent that the appropriations contained in sections 11 and 12 of this part take effect only if the requisite general fund appropriations are lapsed pursuant to section 10. The legislature also intends that under this part, the base budget for plant, pest, and disease control (AGR122), animal disease control (AGR132), or agricultural resource management (AGR141) shall not be reduced by the amounts lapsed under section 10 of this Act.

The legislature finds that the appropriations referred to in section 10 of this part are the following from the executive budget worksheets of the regular session of 2013:

- (1) Sequence 90-001 for plant, pest, and disease control (AGR122);
- (2) A portion of sequence 91-001 for plant, pest, and disease control (AGR122);
- (3) A portion of sequence 3070-001 for animal disease control (AGR132); and
- (4) A portion of sequence 90-001 for agricultural resource management (AGR141).

SECTION 10. Act 134, Session Laws of Hawaii 2013, as amended by Act 122, Session Laws of Hawaii 2014, is amended by adding four new sections to part III, economic development, to be appropriately designated and to read as follows:

“SECTION B. Provided that of the general fund appropriation for plant, pest, and disease control (AGR122) for fiscal year 2014-2015, \$162,540 appropriated for the detector dog program shall not be expended during that fiscal year and shall lapse on June 30, 2015.

SECTION C. Provided that of the general fund appropriation for plant, pest, and disease control (AGR122) for fiscal year 2014-2015, \$165,055 appropriated for the queen bee program shall not be expended during that fiscal year and shall lapse on June 30, 2015.

SECTION D. Provided that of the general fund appropriation for animal disease control (AGR132) for fiscal year 2014-2015, \$165,055 appropriated for rent shall not be expended during that fiscal year and shall lapse on June 30, 2015.

SECTION E. Provided that of the general fund appropriation for agricultural resource management (AGR141) for fiscal year 2014-2015, \$500,000 appropriated for livestock pasture improvements shall not be expended during that fiscal year and shall lapse on June 30, 2015.”

SECTION 11. Except as otherwise provided under section 13, there is appropriated out of the general revenues of the State of Hawaii the sum of \$2,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 for deposit into the agricultural loan revolving fund.

The sum appropriated shall be expended by the department of agriculture for the purposes of this part.

SECTION 12. Except as otherwise provided under section 13, there is appropriated out of the agricultural loan revolving fund the sum of \$2,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 for the making of agricultural loans.

The sum appropriated shall be expended by the department of agriculture for the purposes of this part.

SECTION 13. Sections 11 and 12 shall not take effect unless at least \$992,650 of the general fund appropriation for fiscal year 2014-2015 is lapsed in accordance with the amendments made to Act 134, Session Laws of Hawaii 2013, as amended by Act 122, Session Laws of Hawaii 2014, in section 10 of this Act.

## PART V

SECTION 14. The purpose of this part is to repeal the appropriation in Act 164, Session Laws of Hawaii 2014, for the state building code council and staff to carry out their duties and functions.

The legislature finds that the department of accounting and general services does not plan to expend the appropriation.

SECTION 15. Act 164, Session Laws of Hawaii 2014, is amended by repealing section 11.

~~["SECTION 11. There is appropriated out of the general revenues of the State of Hawaii the sum of \$136,676 or so much thereof as may be necessary for fiscal year 2014-2015 for the state building code council and staff to carry out their duties and functions, including operating costs and staff salaries.~~

~~The sum appropriated shall be expended by the department of accounting and general services for the purposes of this Act." ]~~

#### PART VI

SECTION 16. The purpose of this part is to repeal the appropriation in Act 166, Session Laws of Hawaii 2014, for the counties to implement voter registration at absentee polling places.

The legislature finds that the office of elections does not plan to expend the appropriation.

SECTION 17. Act 166, Session Laws of Hawaii 2014, is amended by repealing section 4.

~~["SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000 or so much thereof as may be necessary for fiscal year 2014-2015 for the counties to implement this Act, which may include upgrading the registration process by purchasing electronic poll books.~~

~~The sum appropriated shall be expended by the office of elections for the purposes of this Act." ]~~

#### PART VII

SECTION 18. The purpose of this part is to reduce the appropriations in Act 151, Session Laws of Hawaii 2014, for various programs on aging.

The legislature finds that the executive office on aging does not plan to expend the entire amount of each of the appropriations reduced in this part.

SECTION 19. Act 151, Session Laws of Hawaii 2014, is amended as follows:

1. By amending sections 2, 3, and 4 to read:

~~"SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of [\$4,200,000] \$3,780,000 or so much thereof as may be necessary for fiscal year 2014-2015 for the kupuna care program; provided that the sum appropriated shall be in addition to the base budget of the executive office on aging.~~

~~SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of [\$1,900,000] \$1,710,000 or so much thereof as may be necessary for fiscal year 2014-2015 for the aging and disability resource center.~~

~~SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of [\$476,772] \$429,095 or so much thereof as may be necessary for fiscal year 2014-2015 for the healthy aging partnership program of the department of health's executive office on aging."~~

2. By amending section 8 to read:



"SECTION 8. There is appropriated out of the general revenues of the State of Hawaii the sum of [~~\$500,000~~] \$450,000 or so much thereof as may be necessary for fiscal year 2014-2015 for the executive office on aging to conduct a public education and awareness campaign on long-term care and to obtain an independent evaluation of the campaign's effectiveness.

The sum appropriated shall be expended by the department of health for the purposes of this part."

#### PART VIII

SECTION 20. The purpose of this part is to:

- (1) Reduce a portion of the general fund appropriation for medicaid coverage for non-United States citizens for fiscal year 2014-2015; and
- (2) Repeal Act 179, Session Laws of Hawaii 2014, which makes an appropriation to restore basic adult dental benefits to medicaid enrollees.

The legislature finds that the department of human services does not plan to expend the entire amount of the appropriation referenced in paragraph (1), nor does it plan to spend the appropriation referenced in paragraph (2).

The legislature also intends, under this part, that the base budget for health care payments (HMS401) shall not be reduced by the amount lapsed under section 21 of this Act.

SECTION 21. Act 134, Session Laws of Hawaii 2013, as amended by Act 122, Session Laws of Hawaii 2014, is amended by adding a new section to part III, social services, to be appropriately designated and to read as follows:

"SECTION F. Provided that of the general fund appropriation for health care payments (HMS401) for fiscal year 2014-2015, \$7,000,000 shall not be expended for medicaid coverage for non-United States citizens during fiscal year 2014-2015 and shall lapse on June 30, 2015."

SECTION 22. Act 179, Session Laws of Hawaii 2014, is repealed.

#### PART IX

SECTION 23. The purpose of this part is to repeal the appropriations made in Act 147, Act 148, and Act 149, Session Laws of Hawaii 2014, for public safety programs.

The legislature finds that the department of public safety does not plan to expend the appropriations.

SECTION 24. Act 147, Session Laws of Hawaii 2014, is amended by repealing section 2.

~~["SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$110,000 or so much thereof as may be necessary for fiscal year 2014-2015 for the department of public safety to provide substance abuse treatment services for inmates of the Halawa correctional facility.~~

~~The sum appropriated shall be expended by the department of public safety for the purposes of this Act." ]~~

SECTION 25. Act 148, Session Laws of Hawaii 2014, is amended by repealing section 2.

~~["SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$125,000 or so much thereof as may be necessary for fiscal year 2014-2015 for funding programs and services for children of incarcerated parents and assisting with family reunification.~~

~~The sum appropriated shall be expended by the department of public safety for the purposes of this Act."]~~

SECTION 26. Act 149, Session Laws of Hawaii 2014, is amended by repealing section 3.

~~["SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$250,000 or so much thereof as may be necessary for fiscal year 2014-2015 for the pilot project known as the reentry pilot project for nonviolent, low-risk drug offenders established by this Act.~~

~~The sum appropriated shall be expended by the department of public safety for the purposes of this Act."]~~

#### PART X

SECTION 27. The purpose of this part is to reduce the appropriation for the tax system modernization for fiscal year 2014-2015.

The legislature finds that the department of taxation does not plan to expend the entire amount appropriated.

The legislature intends that, under this part, the base budget for supporting services-revenue collection (TAX107) shall not be reduced by the amount lapsed under section 28 of this Act.

SECTION 28. Act 134, Session Laws of Hawaii 2013, as amended by Act 122, Session Laws of Hawaii 2014, is amended by adding a new section to part III, government-wide support, to be appropriately designated and to read as follows:

"SECTION G. Provided that of the general fund appropriation for supporting services-revenue collection (TAX107) for fiscal year 2014-2015, \$2,400,000 shall not be expended for tax system modernization expenses during that fiscal year and shall lapse on June 30, 2015."

#### PART XI

SECTION 29. The purpose of this part is to reduce the appropriations for debt service payments for fiscal year 2014-2015.

The legislature finds that the department of budget and finance does not plan to expend the entire amount of each of the appropriations reduced in this part.

The legislature intends that, under this part, the base budget for debt service payments-State (BUF721), debt service-DOE (BUF725), and debt service-UH (BUF728) shall not be reduced by the amounts lapsed under section 30 of this Act.

**ACT 127**

SECTION 30. Act 134, Session Laws of Hawaii 2013, as amended by Act 122, Session Laws of Hawaii 2014, is amended by adding three new sections to part III, to be designated and to read as follows:

“SECTION H. Provided that of the general fund appropriation for debt service payments-State (BUF721) for fiscal year 2014-2015, \$15,000,000 shall not be expended and shall lapse on June 30, 2015.

SECTION I. Provided that of the general fund appropriation for debt service-DOE (BUF725) for fiscal year 2014-2015, \$10,000,000 shall not be expended and shall lapse on June 30, 2015.

SECTION J. Provided that of the general fund appropriation for debt service-UH (BUF728) for fiscal year 2014-2015, \$5,000,000 shall not be expended and shall lapse on June 30, 2015.”

**PART XI<sup>1</sup>**

SECTION 31. In codifying the new sections added by sections 6, 10, 21, 28, and 30 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 32. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 33. This Act shall take effect on June 29, 2015.

(Approved June 19, 2015.)

**Note**

1. Should be “XII”.

**ACT 127**

**H.B. NO. 354**

A Bill for an Act Relating to Nurses.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the requirement of all candidates for an initial nurse license to pass a national examination has resulted in the consistent practice of quality health care services administered to the public. This examination safeguards the quality of health care practices by ensuring that each candidate possesses the minimum competencies necessary for a newly licensed, entry-level registered or practical nurse to perform work safely and effectively. Despite the clear benefits of this safeguard, continuing competency requirements are not currently instituted for nurse licensure renewal applications in the State.

The legislature also finds that in today's health care environment, knowledge of the latest developments in the profession is a crucial means by which nursing duties are safely and effectively fulfilled. New health care systems are emerging and redoubling the challenge of licensure boards to assure consumers that licensed nurses shall remain competent for the duration of their practice. The legislature further finds the most efficient means to ensure patient safety is

to require Hawaii-licensed nurses to complete continuing competency requirements prior to any application for license renewal, restoration, or reinstatement.

Accordingly, the purpose of this Act is to require all non-exempt licensed registered nurses and licensed practical nurses to complete continuing competency requirements prior to the submission of an application for license renewal, restoration, or reinstatement, beginning on July 1, 2017.

SECTION 2. Chapter 457, Hawaii Revised Statutes, is amended by adding two new sections to be appropriately designated and to read as follows:

**“§457- Continuing competency requirements; exemptions; extensions; records retention; audit.** (a) Beginning July 1, 2017, with the renewal of the licensing biennium, and every biennial renewal thereafter, each registered nurse and practical nurse licensee shall have completed one of the learning activity options recognized by the board within the two-year period preceding the renewal date, in addition to the requirements of section 457-9.

(b) The following nurses shall be exempt from the continuing competency requirements:

- (1) Registered nurses licensed in this State who also maintain active advanced practice registered nurse licenses in accordance with this chapter and have a current national certification approved by the board;
- (2) Registered nurses and practical nurses licensed in this State who also maintain current national certification, approved by the board, in their practice role; or
- (3) A licensee who graduated or completed pre-licensure requirements from an accredited nursing program recognized by the board within twelve months prior to the renewal date of the licensee's first license renewal period.

If a licensee graduated or completed pre-licensure requirements from an accredited nursing program more than twelve months but less than two years prior to the renewal date, the registered nurse or practical nurse licensee shall be required to obtain fifteen contact hours of continuing education, one semester credit of post-licensure academic education related to nursing practice from an accredited nursing program, completion of a board-recognized nurse residency program, or other learning activity options from an approved provider recognized by the board prior to the first renewal period.

(c) The board may extend the deadline for compliance with the continuing competency requirements and shall consider each case on an individual basis. Prior to the expiration of the license, a nurse licensee may submit a written request for an extension and any documentation requested by the board to substantiate the reason for the extension of the deadline for compliance with the continuing competency requirements of this section, based on the following circumstances:

- (1) Illness, as certified by a physician or osteopathic physician licensed under chapter 453 or advanced practice registered nurse licensed under chapter 457 in the jurisdiction in which the licensee was treated; or
- (2) Military service under extended active duty with the armed forces of the United States.
- (d) Each licensee shall maintain copies of the licensee's continuing competency records for the past four years or two previous bienniums.

(e) Upon application for license renewal, restoration, or reinstatement, each licensee shall have complied with and attest to completion of one of the

learning activity options recognized by the board pursuant to subsection (a) during the two years preceding the application for license renewal, restoration, or reinstatement and shall be prepared to submit evidence of completion if requested by the board.

(f) The board may conduct an audit to determine compliance with the continuing competency requirement. The board shall provide written notice of an audit to all licensees selected for audit. Within sixty days of notification, the licensee shall provide the board with documentation verifying compliance with continuing competency requirements.

**§457- Learning activity options.** (a)<sup>1</sup> The successful completion of one of the following shall meet the learning activity options requirements for continuing competency:

- (1) National certification or recertification related to the nurse's practice role;
- (2) Thirty contact hours of continuing education activities;
- (3) Completion of a board approved refresher course;
- (4) Completion of a minimum of two semester credits of post-licensure academic education related to nursing practice from an accredited nursing program;
- (5) Participation as a preceptor, for at least one nursing student or employee transitioning into new clinical practice areas for at least one hundred twenty hours, in a one-to-one relationship as part of an organized preceptorship program; provided that the licensee may precept more than one student or employee during the one hundred twenty hours and shall be evidenced by documentation of hours completed and objectives of the preceptorship by the institution supervising the student;
- (6) Completion as principal or co-principal investigator of a nursing research project that is an institution review board project or evidence-based practice project that has been preapproved by the board;
- (7) Authoring or coauthoring a peer reviewed published nursing or health-related article, book, or book chapter;
- (8) Developing and conducting a nursing education presentation or presentations totaling a minimum of five contact hours of actual organized instruction that qualifies as continuing education;
- (9) Completion of a board-recognized nurse residency program; or
- (10) A similar type of learning activity option; provided that the type of activity shall be recognized by the board."

SECTION 3. Section 457-2, Hawaii Revised Statutes, is amended by adding three new definitions to be appropriately inserted and to read as follows:

"Competency" means the ability of a nurse to integrate knowledge, skills, judgment and personal attributes to practice safely and ethically in the professional nursing position and in accordance with the scope of nationally recognized nursing practices.

"Contact hour" means the same as section 16-89-2, Hawaii Administrative Rules.

"Continuing competency" means the long-term educational and professional process by which an individual undertakes and documents with verifiable evidence a personal learning plan that encompasses a periodic self-assessment of personal strengths and weaknesses as present in the individual's practice as a

nurse as well as a commitment to furthering the individual's professional knowledge relating to the nursing field."

SECTION 4. Section 457-12, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) In addition to any other actions authorized by law, the board shall have the power to deny, revoke, limit, or suspend any license to practice nursing as a registered nurse or as a licensed practical nurse applied for or issued by the board in accordance with this chapter, and to fine or to otherwise discipline a licensee for any cause authorized by law, including but not limited to the following:

- (1) Fraud or deceit in procuring or attempting to procure a license to practice nursing as a registered nurse or as a licensed practical nurse;
- (2) Gross immorality;
- (3) Unfitness or incompetence by reason of negligence, habits, or other causes;
- (4) Habitual intemperance, addiction to, or dependency on alcohol or other habit-forming substances;
- (5) Mental incompetence;
- (6) Unprofessional conduct as defined by the board in accordance with its own rules;
- (7) Wilful or repeated violation of any of the provisions of this chapter or any rule adopted by the board;
- (8) Revocation, suspension, limitation, or other disciplinary action by another state of a nursing license for reasons as provided in this section;
- (9) Conviction, whether by nolo contendere or otherwise, of a penal offense substantially related to the qualifications, functions, or duties of a nurse, notwithstanding any statutory provision to the contrary;
- (10) Failure to report to the board any disciplinary action taken against the licensee in another jurisdiction within thirty days after the disciplinary action becomes final;
- (11) Submitting to or filing with the board any notice, statement, or other document required under this chapter, which is false or untrue or contains any material misstatement of fact[;], including a false attestation of compliance with continuing competency requirements;  
or
- (12) Violation of the conditions or limitations upon which any license is issued."

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>2</sup>

SECTION 6. This Act shall take effect upon its approval.

(Approved June 19, 2015.)

#### Notes

1. No subsection (b).
2. Edited pursuant to HRS §23G-16.5.

A Bill for an Act Relating to Veterans.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 249, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§249- Exemptions for certain vehicles; disabled veterans.** (a) A disabled veteran who:

- (1) Is a resident of Hawaii;
- (2) Has been other than dishonorably discharged from the United States uniformed armed forces;
- (3) Is determined by the United States Department of Veterans Affairs or its predecessor to have a service-connected one hundred per cent disability rating for compensation or a service-connected disability rating of one hundred per cent; and
- (4) Is in receipt of disability retirement pay from any branch of the uniformed armed forces,

shall be exempt from payment of all annual vehicle registration fees as required by section 249-31. This exemption shall not extend to vehicles used for commercial purposes, nor to more than one vehicle owned by the disabled veteran.

(b) The director of the office of veterans' services, in consultation with the policy advisory board on veterans services, shall submit a report to the legislature and the department of taxation no later than twenty days prior to the convening of each regular session providing the legislature and the department of taxation with the total number of disabled veterans who qualify under this section for the exemption from annual vehicle registration fees.”

SECTION 2. Section 249-31, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) All vehicles and motor vehicles in the State as defined in section 249-1, including antique motor vehicles, except as otherwise provided in sections 249-4 ~~[and]~~, 249-6, ~~and 249-~~, shall be subject to a \$45 annual vehicle registration fee. The fee shall be paid each year together with all other taxes and fees levied by this chapter on a staggered basis as established by each county as authorized by section 286-51, and the state registration for that county shall likewise be staggered so that the state registration fee is due and payable at the same time and shall be collected together with the county fee. The state registration fee shall be deemed delinquent if not paid with the county registration fee. The respective counties shall collect this fee together with the vehicle registration tax collected for the county and shall transfer the moneys collected under this section to the State.”

SECTION 3. This Act shall apply to motor vehicle registrations issued or renewed after January 1, 2016.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

SECTION 5. This Act shall take effect upon its approval.

(Approved June 19, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

## ACT 129

S.B. NO. 1211

A Bill for an Act Relating to the Major Disaster Fund.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the State is vulnerable to a wide range of natural and man-made hazards, which may result in emergencies or disasters that: threaten the life, health, and safety of its people; damage and destroy property; disrupt everyday services, business, and recreational activities; and impede economic development. Last year, tropical storm Iselle alone cost the State \$1,300,000 in response costs and has a reported \$13,200,000 in damage and debris expenses. According to county officials, as of October 2014, the Puna lava flow on the island of Hawaii has caused \$14,500,000 in damages, primarily because of construction costs for emergency access roads. The latest project, reopening Chain of Craters road, could cost between \$12,000,000 and \$15,500,000.

The purpose of this Act is to adequately prepare Hawaii for the next major disaster by increasing the expenditure ceiling on major disaster fund moneys.

SECTION 2. Section 127A-16, Hawaii Revised Statutes, is amended to read as follows:

~~“[§127A-16]~~ **Major disaster fund.** (a) The director shall submit requests to the legislature to appropriate from the general revenues of the State sufficient moneys as may be necessary for expenditure by or under the direction of the governor for immediate relief in response to an emergency or disaster in any part of the State; provided that:

- (1) The governor has issued a proclamation of a state of emergency;
- (2) The governor may not expend in excess of ~~[\$2,000,000]~~ \$5,000,000 for immediate relief as a result of any single emergency or disaster; and
- (3) In addition to the funds in paragraph (2), an additional ~~[\$2,000,000]~~ \$5,000,000 may be made available solely for the purpose of matching federal disaster relief funds when these funds become available to the State following a presidential disaster declaration.

In expending the moneys, the governor may allot any portion thereof to any agency, office, or employee of the State or a county for the most efficient relief for the population. Notwithstanding this subsection, the only exception to ~~[[~~paragraphs (1), ~~]]~~ (2), and (3) is that the director may use up to \$100,000 per year to support emergency reserve corps training.

~~(b)~~ No later than one month after any allotment by the governor or the expenditure of any fund moneys, the director shall report to the legislature on the purpose of the allotment or expenditure.

~~[(b)]~~ (c) Federal reimbursement moneys for disaster relief shall be deemed to be trust moneys and may be deposited into a trust account with and under the control of the department of defense. These moneys and any interest earned thereon shall be used for the purpose identified in subsection (a) and shall not lapse to the general fund.”

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,500,000 or so much thereof as may be necessary for fiscal year 2015-2016 for deposit into the major disaster fund.



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The sum appropriated shall be expended by the Governor for the purposes of this Act.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2015.  
(Approved June 19, 2015.)

**ACT 130**

H.B. NO. 971

A Bill for an Act Relating to Aloha Tower Development Corporation.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 206J-4, Hawaii Revised Statutes, is amended to read as follows:

**“§206J-4 Aloha Tower development corporation; established.** (a) There is established the Aloha Tower development corporation, which shall be a public body corporate and politic, a public instrumentality, and an agency of the State. The development corporation shall be placed within the department of transportation for administrative purposes, pursuant to section 26-35.

(b) The development corporation shall consist of a board of directors having ~~[three]~~ five voting members: The director of business, economic development, and tourism~~], the director of transportation, and]~~ or the director's designee; the chairperson of the board of land and natural resources or the chairperson's designee; the deputy director of transportation, harbors division~~]. The board, by a majority vote, shall elect a chairperson from within its membership.]; one member to be appointed by the speaker of the house of representatives; and one member to be appointed by the president of the senate. The deputy director of transportation, harbors division, shall serve as chairperson of the board.~~

(c) The members of the board appointed under subsection (b) shall serve without compensation, but each member shall be reimbursed for expenses, including travel expenses, incurred in the performance of their duties.

~~[(d) The board shall appoint a chief executive officer. The board shall set the salary of the executive officer, who shall serve at the pleasure of the board and shall be exempt from chapter 76.]”~~

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 2015.  
(Approved June 19, 2015.)

**ACT 131**

S.B. NO. 871

A Bill for an Act Relating to Highway Safety.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that as a gateway location between the Eastern and Western hemispheres, Hawaii is an international gathering place where peoples from all over the world migrate to live, work, and attend school.

Hawaii residents also migrate to other countries for the same purposes. The ability to drive is critical to the quality of life in Hawaii and in many other countries. This measure facilitates the ability to drive by providing driver licensing reciprocity with other countries under specified conditions.

The legislature further finds that existing law establishing the driver's license reciprocity committee is cumbersome, costly, and complicated to administer, which explains the fact that it has never been used since its enactment by Act 314, Session Laws of Hawaii 2012, in spite of much public interest in driver's license reciprocity.

The purpose of this Act is to:

- (1) Authorize the director of transportation to grant reciprocal licensing privileges to holders of valid licenses from other jurisdictions not currently subject to a treaty for reciprocity, under certain conditions; and
- (2) Repeal section 286-11, Hawaii Revised Statutes, which established the driver's license reciprocity committee.

SECTION 2. Chapter 286, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§286- Reciprocal licensing privileges. (a) The director may grant reciprocal licensing privileges to any person eighteen years of age or older who holds a license from another country or state, thereby allowing the examiner of drivers to waive examination requirements under section 286-108(c)(3), if:

- (1) That jurisdiction has procedures in place to verify the validity of the driver's licenses it issues;
- (2) That jurisdiction has granted a waiver of all or any part of the driver's license examination requirements for Hawaii licensed drivers applying for a driver's license in that jurisdiction; and
- (3) The director determines that the standards of that jurisdiction for licensing operators of motor vehicles correspond substantially to those of this State.

(b) The director shall publish on the department of transportation's public internet site a list of the countries for which reciprocal operating privileges have been extended and those that have been withdrawn. The most recent list shall be transmitted to the courts, county prosecuting attorneys, and county police chiefs.

(c) The director may require an applicant for reciprocal licensing privileges to provide translation of the license and documents from the other jurisdiction if the license and documents are in languages other than Hawaiian or English.

(d) The director may adopt rules pursuant to chapter 91 necessary for the purposes of this section.”

SECTION 3. Section 286-102, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

“(d) Before issuing a driver's license, the examiner of drivers shall complete a check of the applicant's driving record to determine whether the applicant is subject to any disqualification under section 286-240, or any license suspension, revocation, or cancellation [~~under state law~~], and whether the applicant has a driver's license from more than one state or jurisdiction. The record check shall include but is not limited to the following:

- (1) A check of the applicant's driving record as maintained by the applicant's state or jurisdiction of licensure;

**ACT 132**

- (2) A check with the commercial driver license information system;
- (3) A check with the National Driver Register; and
- (4) If the driver is renewing a commercial driver's license for the first time after September 30, 2002, a request for the applicant's complete driving record from all states where the applicant was previously licensed to drive any motor vehicle over the last ten years; provided that a notation is made on the driving record confirming the check has been made and the date it was done."

SECTION 4. Section 286-108, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) The examiner of drivers may waive the actual demonstration of ability to operate a motor vehicle for any person who:

- (1) Is at least eighteen years of age and who possesses a valid driver's license issued to the applicant in any other state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, a province of the Dominion of Canada, or the Commonwealth of the Northern Mariana Islands for the operation of vehicles in categories 1 through 3 of section 286-102; [øf]
- (2) Has completed the same requirements as set forth in section 286-102.6(f) in another state and possesses a valid provisional license from that state[-]; or
- (3) Is at least eighteen year of age and who possesses a valid driver's license issued to the applicant in any jurisdiction for which the director has granted reciprocal licensing privileges in accordance with section 286- for the operation of vehicles in category (3) of section 286-102(b)."

SECTION 5. Section 286-11, Hawaii Revised Statutes, is repealed.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

SECTION 7. This Act shall take effect on July 1, 2015.

(Approved June 19, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 132**

S.B. NO. 1180

A Bill for an Act Relating to Metropolitan Planning Organizations.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

**“CHAPTER  
METROPOLITAN PLANNING ORGANIZATIONS**

**§ -1 Statement of purpose.** The legislature finds that 23 United States Code sections 134-135 and 49 United States Code sections 5303-5304, as amended, and federal regulations adopted pursuant thereto, and other federal laws require that metropolitan planning organizations be designated based on a minimum population threshold as defined in federal law to act as a decision-making agency and to receive certain funds for the purpose of carrying out a continuing, cooperative, and comprehensive transportation planning process.

Metropolitan planning organizations have their own policy board and staff. It is the responsibility of the policy board to make decisions that are the result of the continuing, cooperative, and comprehensive transportation planning process, and the organization's staff support and provide technical resources to the policy board. The continuing, cooperative, and comprehensive planning process is designed to provide both orderly and reasoned metropolitan transportation planning within the framework of federal law, and adequate and informed representation from state and county governments, operators of public transportation receiving federal funds, the public at large, and others as identified in 23 Code of Federal Regulations section 450 subpart C.

**§ -2 Definitions.** For purposes of this chapter:

“Comprehensive agreement” means the executed agreement between the member jurisdictions or authorities of a metropolitan planning organization concerning the organization and structure of the metropolitan planning organization, the roles and responsibilities of its member jurisdictions or authorities, and the provision of funding and membership dues.

“Employees” means an executive director of a metropolitan planning organization, and all staff of a metropolitan planning organization.

“Member jurisdiction or authority” means a local or state jurisdiction or a local or regional authority that has entered into a comprehensive agreement to support the metropolitan planning process and that is provided representation on the metropolitan planning organization's policy board.

“Metropolitan planning organization” means a metropolitan planning organization designated or redesignated under 23 United States Code section 134, as amended.

“Policy board” means the policy decision-making body of a metropolitan planning organization.

“Transportation management area” means a transportation management area identified and designated pursuant to 23 United States Code section 134, as amended.

**§ -3 Establishment of metropolitan planning organizations; duties.** (a) Metropolitan planning organizations shall be designated pursuant to 23 United States Code section 134(d)(1) and shall meet all requirements of 23 United States Code sections 134-135 and 49 United States Code sections 5303-5304, as amended, and any federal regulations adopted pursuant thereto.

(b) A metropolitan planning organization shall:

- (1) Operate according to executed comprehensive agreements, including any supplemental agreements, between the State, county, and other operators of public transportation receiving federal funds; and
- (2) Facilitate and support the continuing, cooperative, and comprehensive transportation planning process between the State, county, and

other operators of public transportation receiving federal funds, including the consideration of projects and strategies that support national planning factors as defined in 23 United States Code section 134, regional goals and objectives, and consideration of plans and planning activities of others as they affect transportation.

- (c) A metropolitan planning organization may:
- (1) Assign to staff members duties not defined or designated by federal law, this chapter, or executive agreement;
  - (2) Enter into agreements with the State, county, other operators of public transportation receiving federal funds, and other entities as needed to fully comply with all requirements of federal law and this chapter;
  - (3) Be placed within a state or county agency, as appropriate, for administrative purposes only;
  - (4) Contract to purchase goods and services, including professional and technical assistance and advice;
  - (5) Contract for or accept revenues, compensation, proceeds, and gifts or donations or grants in any form from any public agency; and
  - (6) Contract with other state or local agencies and quasi-public or private organizations for the use of their staff resources to assist the metropolitan planning organization in its functions.

**§ -4 Transportation management area metropolitan planning organizations.** (a) Pursuant to 23 United States Code section 134(k), a metropolitan planning organization serving an urban area with a population of 200,000 or more shall be designated a transportation management area.

(b) Pursuant to section 26-35, the transportation management area metropolitan planning organizations shall be attached to the department of transportation for administrative purposes only. The respective policy boards and not the department of transportation shall be responsible for the management of transportation management area metropolitan planning organizations as it pertains to 23 United States Code sections 134-135 and 49 United States Code sections 5303-5304. The various roles and responsibilities of transportation management area metropolitan planning organizations and the department of transportation regarding the administration of the transportation management area metropolitan planning organization may be further defined by agreement between the two entities.

(c) This chapter shall apply to transportation management area metropolitan planning organizations.

(d) Notwithstanding any law to the contrary, transportation management area metropolitan planning organizations shall be exempt from section 26-35, except subsections (a)(7) and (8), and (b).

**§ -5 Oahu transportation management area metropolitan planning organization revolving fund.** (a) There is established in the state treasury a revolving fund to be known as the Oahu transportation management area metropolitan planning organization revolving fund to be administered by the department of transportation in accordance with federal law and into which shall be deposited:

- (1) Member financial dues;
- (2) All revenues from the operations of the Oahu transportation management area metropolitan planning organization;
- (3) Appropriations by the legislature out of the state highway fund to the Oahu transportation management area metropolitan planning organization revolving fund;

- (4) Federal funds or grants; and
- (5) Gifts, grants, and any other moneys made available to the fund.

(b) Except as otherwise provided by federal law, expenditures from the Oahu transportation management area metropolitan planning organization revolving fund may be made; provided that no expenditure shall be made from and no obligation shall be incurred against the revolving fund in excess of the amount standing to the credit of the revolving fund or for any purpose for which the revolving fund may not lawfully be expended. Nothing in sections 37-31 to 37-41 shall require the proceeds of the revolving fund to be reappropriated annually.

(c) The Oahu metropolitan planning organization shall report annually to the legislature no later than twenty days prior to the convening of each regular session beginning with the regular session of 2016 on a detailed accounting of the activities of the revolving fund for the previous year.

**§ -6 Metropolitan planning organization policy boards; membership and meetings.** (a) Policy board membership shall be established by comprehensive agreement, including any applicable supplemental agreements and bylaws.

(b) As appropriate, any agreement or committee bylaws that establish policy board membership may also include specifications regarding ex officio membership, terms and term limits of members, member alternates, quorum, and other considerations as permitted by law.

**§ -7 Staff and funding.** (a) Each policy board shall appoint a full-time executive director of the metropolitan planning organization who shall be independent of state and county agencies, notwithstanding any other law to the contrary. Duties of the executive director may be established by the policy board or in the comprehensive agreement.

(b) A policy board may employ staff as needed. The executive director shall be responsible for the hiring and management of staff. The executive director and staff for a metropolitan planning organization shall not be subject to chapter 76. All other benefits generally applicable to the officers and employees of the State shall apply to staff members of the metropolitan planning organization and be retroactive to the effective date of initial hiring for existing staff.

(c) All employees of a metropolitan planning organization shall be exempt from chapter 76 but shall be eligible to receive the benefits of any state or federal employee benefit program generally applicable to officers and employees of the State.

**§ -8 Member financial dues.** (a) The policy board shall identify the member financial dues necessary to sustain the metropolitan planning organization. The member financial dues shall be provided by interagency agreement with the members.

(b) Member financial dues received by a metropolitan planning organization shall be used to fund the unified planning work program.

(c) A policy board may allocate collective financial resources to fund a unified planning work program.

**§ -9 Meetings.** (a) Notwithstanding any law to the contrary, meetings of policy boards, advisory committees, or subcommittees shall be subject to part I of chapter 92.

(b) Participation by members of any other board in a meeting of a policy board shall be permitted interaction as provided in section 92-2.5(h).

(c) Less than a quorum of policy board members may discuss metropolitan planning organization business, without limitation, outside of a duly noticed meeting of the policy board.

(d) A majority of the membership of a policy board or committee of a policy board shall constitute a quorum to do business.

§ -10 **Conflict between laws.** If a conflict between any provision of this chapter and any federal law or regulation relating to metropolitan planning organizations arises, federal law or regulation shall govern.

§ -11 **Annual reports.** A metropolitan planning organization shall submit an annual report to the legislature of all activities conducted by the organization during the year immediately preceding the submission of the report. The annual report shall be submitted to the legislature no later than twenty days prior to the convening of each regular session beginning with the regular session of 2016.”

SECTION 2. Section 279A-8, Hawaii Revised Statutes, is amended to read as follows:

~~“[§279A-8 Oahu [Metropolitan Planning Organization] metropolitan planning organization; effect on funding.]~~ The provisions of this chapter do not affect the entitlement of the ~~[Metropolitan Planning Organization]~~ metropolitan planning organization for the island of Oahu ~~or any other county~~ to unconditionally receive and administer transportation planning funds pursuant to ~~[Section 112 of the Federal Aid Highway Act of 1973.]~~ 23 United States Code section 134, as amended.”

SECTION 3. Chapter 279E, Hawaii Revised Statutes, is repealed.

SECTION 4. Upon the repeal of chapter 279E, Hawaii Revised Statutes, pursuant to section 3 of this Act:

- (1) Any balance remaining in the Oahu metropolitan planning organization revolving fund under section 279E-5, Hawaii Revised Statutes, shall be transferred to the Oahu transportation management area metropolitan planning organization revolving fund established under section 1 of this Act; and
- (2) Any expenses and liabilities of the Oahu metropolitan planning organization revolving fund under section 279E-5, Hawaii Revised Statutes, shall be transferred to the Oahu transportation management area metropolitan planning organization revolving fund established under section 1 of this Act.

SECTION 5. There is appropriated out of the state highway fund the sum of \$500,000 or so much thereof as may be necessary for fiscal year 2015-2016 to be deposited into the Oahu transportation management area metropolitan planning organization revolving fund.

The sum appropriated shall be expended by the Oahu metropolitan planning organization for the purposes of this Act.

SECTION 6. No officer or employee affected by this Act shall suffer any loss of employment, seniority, benefit, leave, service credit, or other emolument as a consequence of this Act.

SECTION 7. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 8. This Act shall take effect on July 1, 2015.  
(Approved June 19, 2015.)

## ACT 133

H.B. NO. 26

A Bill for an Act Relating to the Compensation of Trustees.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 607-18, Hawaii Revised Statutes, is amended to read as follows:

**“§607-18 Compensation of trustees.** (a) Unless the trust instrument otherwise provides, or the settlor and trustee otherwise agree, or, after the settlor’s death, all the beneficiaries and the trustee otherwise agree, the trustee shall be entitled to the compensation set forth in this section and the compensation shall be deemed to be reasonable. For good cause shown, the court may also approve any other fee arrangement that it deems reasonable.

(b) Banks ~~[and]~~, trust companies, and individuals who in the ordinary course of business serve as fiduciaries shall, when serving as trustees ~~[shall]~~, be entitled to reasonable compensation, which may be set forth in their published fee schedules and may be amended from time to time; provided that advance written notice of any amendment to the fee schedule is provided to the settlor or, after the settlor’s death, to all beneficiaries~~[-]~~ who are vested at the time of the notice.

(c) Except as provided in ~~[subsection]~~ subsections (a)[5] and (b), individuals serving as trustees shall be entitled to the following compensation:

(1) Compensation Upon Inception of the Trust:

(A) One per cent based upon the gross fair market value of the trust assets on the date of the trustee’s acceptance shall be payable to the first trustee who is not the settlor of the trust; and

(B) One per cent based upon the gross fair market value of the trust assets of the trust created under the revocable living or administrative trust on the date of the trustee’s acceptance shall be payable to the first trustee of any trust created under a revocable living trust after the settlor’s death or other administrative trust; provided that the trustee shall not also be the trustee of the revocable living trust or administrative trust that is the source of funding for the newly-created trust;

~~[provided that if more than one individual serves as trustee, then the compensation shall be divided equally between the then-acting trustees unless otherwise agreed by the trustees. If one or more individuals are serving as co-trustees with a bank or trust company, then the individual trustees shall be entitled to fifty per cent of the compensation provided for under this paragraph described herein, which shall be divided among the then-serving individual co-trustees as they may agree. A bank or trust company serving as co-trustee shall be entitled to the compensation described in subsection (b).]~~

(2) Annual Compensation:



- (A) Upon all moneys and other property received in the nature of revenue or income of the trust, such as rents, interest, dividends, and general profits, five per cent of the income received during ~~[each]~~ the year shall be payable to the trustee, ~~[as and when the income is received;]~~ and paid not more than once per quarter;
  - (B) Upon the principal trust, the trustee shall be compensated no more than once per quarter, based on the following:
    - (i) One-half of one per cent of the first \$5,000,000;
    - (ii) One-third of one per cent of the next \$3,000,000;
    - (iii) One-fifth of one per cent of the next \$2,000,000; and
    - (iv) One-tenth of one per cent of assets in excess of \$10,000,000,
 based upon the gross fair market value of the principal assets as of the first ~~[business]~~ day of the trust's fiscal year; and
  - (C) Notwithstanding subparagraphs (A) and (B), a trustee shall be entitled to a minimum total annual compensation of \$3,000; ~~[and~~
  - ~~(D) The threshold dollar amounts in subparagraph (B) and the dollar amounts in subparagraph (C) shall be increased by an amount equal to (i) the dollar amount from subparagraph (B) or (C), as applicable, multiplied by (ii) a cost-of-living adjustment with changes in the Consumer Price Index (CPI) using the year 2014 as the base. The "CPI" means the Consumer Price Index (Annual Average) for All Urban Consumers (CPI-U); for the Honolulu area — All Items, reported by the Bureau of Labor Statistics, United States Department of Labor or its successor or, if the index is discontinued, an equivalent index reported by a federal authority. If no such index is reported, the term means the substitute index chosen by a court of competent jurisdiction. If any amount as adjusted is not a multiple of \$10,000, such amount shall be rounded down to the next lowest multiple of \$10,000;]~~
- (3) Compensation Upon Termination of the Trust:  
 One per cent based upon the gross fair market value of the trust assets as of the termination date of the trust pursuant to the terms of the trust, shall be payable to the trustee at any time after the termination date, up to and including the date the trust assets are finally distributed; and
- (4) Compensation for Special [Service Fees;] Services:  
 Further compensation may be made as the court deems just and reasonable for services performed in connection with assuming the trusteeship, sales or leases of real estate, contested or litigated claims against the estate, the adjustment and payment of extensive or complicated estate or inheritance taxes, the preparation of estate and income tax returns, the carrying on of the decedent's business pursuant to an order of court or under the provisions of any will, litigation in regard to the property of the estate, and such other special services as may be necessary for the trustee to perform, prosecute, or defend; provided that if all of the beneficiaries agree to the trustee's compensation for special [service fees;] services, then court approval shall not be required[-];
- provided that if more than one individual serves as trustee, then the compensation due pursuant to paragraphs (1), (2), and (3), as applicable, shall be divided

equally between the then-acting trustees, unless otherwise agreed by the trustees. If one or more individuals are serving as trustees with a bank or trust company, then the individual trustees shall be entitled to fifty per cent of the compensation due pursuant to paragraphs (1), (2), and (3), as applicable, which shall be divided among the then-serving individual trustees as they may agree. An individual who in the ordinary course of business serves as a fiduciary, serving together with one or more individuals as trustees, or a bank or trust company serving together with one or more individuals as trustees, shall be entitled to the compensation described in subsection (b).

(d) For purposes of any agreement between the trustee and the beneficiaries regarding the trustee's compensation, the agreement shall be binding upon incapacitated, minor, unborn, and unascertained beneficiaries if the applicable provisions of section 560:1-403(2)(B) and (C) are satisfied.

(e) The following terms, or comparable language in the provisions of a trust, unless otherwise limited or modified, authorize compensation to the trustee under this section: "reasonable compensation", "compensation in accordance with applicable law", "compensation", "reasonable compensation commensurate with the services performed", and "statutory compensation".

(f) This section shall apply to future accounting ~~for~~ periods of existing trusts as well as to new trusts. This section shall not apply to charitable trusts."

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved June 19, 2015.)

## ACT 134

H.B. NO. 1214

A Bill for an Act Relating to the State-County Functions Working Group.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the office of the auditor requires funding for the state-county functions working group established by Act 174, Session Laws of Hawaii 2014. The working group was established to evaluate, among other things, the division of duties and responsibilities between the State and counties relating to the provision of public services.

The purpose of this Act is to appropriate funds to the office of the auditor to carry out the purposes of the working group.

SECTION 2. There is appropriated out of the \$103,000,000 of transient accommodations tax revenues allocated to the counties pursuant to section 237D-6.5(b)(3), Hawaii Revised Statutes, the sum of \$165,000 or so much thereof as may be necessary for fiscal year 2015-2016 as follows:

- (1) \$15,000 to pay for the actual expenses incurred and expected to be made by the working group; and
- (2) \$150,000 to procure consultant services to assist the working group to:

**ACT 135**

- (A) Evaluate the division of duties and responsibilities between the State and counties relating to the provision of public services; and
- (B) Develop methodologies to determine the appropriate allocation of transient accommodations tax revenues between the State and the counties that properly reflects the division of duties and responsibilities relating to the provision of public services.

The sum appropriated shall be expended by the office of the auditor for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2015.

(Approved June 19, 2015.)

**ACT 135**

S.B. NO. 17

A Bill for an Act Relating to Real Estate Seller Disclosure.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to clarify that the required disclosure of documents by a seller for residential real property that is subject to restrictions or conditions on use applies to documents relating to restrictions or conditions in a manner consistent with and subject to the seller's duty of good faith as provided for under section 508D-9, Hawaii Revised Statutes.

SECTION 2. Section 508D-3.5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) If the residential real property is otherwise subject to restrictions or conditions on use, either because of covenants contained in the deed for the property or because of another recorded document, the disclosure shall also include all documentation relating to any restrictions or conditions, including but not limited to any unrecorded rules or guidelines that may have been issued by any entity responsible for enforcing those restrictions or guidelines[-] in a manner consistent with and subject to the seller's duty of good faith as provided for under section 508D-9.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on November 1, 2015.

(Approved June 19, 2015.)

**ACT 136**

S.B. NO. 868

A Bill for an Act Relating to Liquor Commissions.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 281-17, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The liquor commission, within its own county, shall have the [sole] jurisdiction, power, authority, and discretion, subject only to this chapter:

- (1) To grant, refuse, suspend, and revoke any [~~licenses~~] license for the manufacture, importation, and sale of liquors;
- (2) To take appropriate action against a person who, directly or indirectly, manufactures, sells, or purchases any liquor without being authorized pursuant to this chapter; provided that in counties [~~which~~] that have established by charter a liquor control adjudication board, the board shall have the jurisdiction, power, authority, and discretion to hear and determine administrative complaints of the director regarding violations of the liquor laws of the State or of the rules of the liquor commission, and impose penalties for violations thereof as may be provided by law;
- (3) To control, supervise, and regulate the manufacture, importation, and sale of liquors by investigation, enforcement, and education; provided that any educational program shall be limited to the commission staff, commissioners, liquor control adjudication board members, and licensees and their employees, and shall be financed through the money collected from the assessment of fines against licensees; provided that fine moneys, not to exceed ten per cent a year of fines accumulated, may be used to fund public [~~liquor-related~~] liquor-related educational or enforcement programs;
- (4) From time to time to make, amend, and repeal [~~such~~] rules, not inconsistent with this chapter, as in the judgment of the commission [~~seem~~] are deemed appropriate for carrying out this chapter and for the efficient administration thereof, and the proper conduct of the business of all licensees, including every matter or thing required to be done or which may be done with the approval or consent [~~of~~], by order [~~of~~], under the direction or supervision of, or as prescribed by the commission; which rules, when adopted as provided in chapter 91 shall have the force and effect of law;
- (5) Subject to chapter 76, to appoint and remove an administrator, who may also be appointed an investigator and who shall be responsible for the operations and activities of the staff. The administrator may hire and remove hearing officers, investigators, and clerical or other assistants as its business may from time to time require, [~~to~~] prescribe their duties[;] and fix their compensation[;]-~~to~~], and engage the services of experts and persons engaged in the practice of a profession, if deemed expedient. Every investigator, within the scope of the investigator's duties, shall have the powers of a police officer;
- (6) To limit the number of licenses of any class or kind within the county, or the number of licenses of any class or kind to do business in any given locality, when in the judgment of the commission such limitations are in the public interest;
- (7) To prescribe the nature of the proof to be furnished, the notices to be given, and the conditions to be met or observed in case of the issuance of a duplicate license in place of one alleged to have been lost or destroyed, including a requirement of any indemnity deemed appropriate to the case;
- (8) To fix the hours between which licensed premises of any class or classes may regularly be open for the transaction of business, which shall be uniform throughout the county as to each class respectively;
- (9) To prescribe all forms to be used for the purposes of this chapter not otherwise provided for in this chapter, and the character and

- manner of keeping of books, records, and accounts to be kept by licensees in any matter pertaining to their business;
- (10) To investigate violations of this chapter, chapter 244D and, notwithstanding any law to the contrary, violations of the applicable department of health's allowable noise levels, through its investigators or otherwise, to include covert operations, and to report violations to the prosecuting officer for prosecution and, where appropriate, the director of taxation to hear and determine complaints against any licensee; provided that a liquor commission in a county with a population of seven hundred thousand or greater may establish a pilot program that employs both a dBA and a dBC sound level measurement system for the purpose of community noise control; provided further that the dBC sound level measurements shall be in accordance with the following maximum permissible sound levels in dBC:
- (A) Zoning districts that include all areas equivalent to lands zoned residential, conservation, preservation, public space, open space, or similar type shall have a maximum dBC sound level of fifty-five from 7:00 a.m. to 10:00 p.m. and a maximum dBC level of forty-five from 10:00 p.m. to 7:00 a.m.;
- (B) Zoning districts that include all areas equivalent to lands zoned for multi-family dwellings, apartment, business, commercial, hotel, resort, or similar type shall have a maximum dBC sound level of sixty from 7:00 a.m. to 10:00 p.m. and a maximum dBC level of fifty from 10:00 p.m. to 7:00 a.m.; and
- (C) Zoning districts that include all areas equivalent to lands zoned in agriculture, country, industrial, or similar type shall have a maximum dBC sound level of seventy from 7:00 a.m. to 10:00 p.m. and a maximum dBC level of seventy from 10:00 p.m. to 7:00 a.m.;
- (11) To prescribe, by rule, the terms, conditions, and circumstances under which persons or any class of persons may be employed by holders of licenses;
- (12) To prescribe, by rule, the term of any license or solicitor's and representative's permit authorized by this chapter, the annual or prorated amount, the manner of payment of fees for the licenses and permits, and the amount of filing fees; ~~and~~
- (13) To prescribe, by rule, regulations on dancing in licensed premises; and
- ~~[(13)]~~ (14) To prescribe, by rule, the circumstances and penalty for the unauthorized manufacturing or selling of any liquor."

SECTION 2. No later than October 1, 2015, each county liquor commission that regulates dancing shall adopt or amend rules regarding dancing in premises licensed to sell liquor for consumption thereon. The rules of each county liquor commission that regulate dancing shall include a definition of the term "dancing".

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval; provided that the amendments made to section 281-17(a), Hawaii Revised Statutes, in section

1 of this Act shall not be repealed when section 281-17(a) is reenacted on May 5, 2017, pursuant to section 4 of Act 297, Session Laws of Hawaii 2012.

(Approved June 19, 2015.)

## ACT 137

S.B. NO. 1009

A Bill for an Act Relating to Service Charges.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that consumers should know whether, and to what extent, the money they pay hotels for portorage service charges is being paid to employees. When a hotel charges service charges to customers, customers may believe that those charges are being paid to employees as tip income; however, this is not necessarily the case. Despite the fact that many employees statewide rely on tips as a crucial supplement to their wages, hotels can retain all or part of those service charges for themselves. When hotels engage in this practice, it should be transparent to consumers because this information could influence whether a consumer chooses to use portorage services. The information may also be valuable to employees and potential employees of a hotel when making employment decisions.

The purpose of this Act is to ensure that hotels either distribute portorage service charges to employees in full or notify customers that service charges are being used for other purposes.

SECTION 2. Section 481B-14, Hawaii Revised Statutes, is amended to read as follows:

**“[§]481B-14 Hotel or restaurant service charge; hotel portorage service charge; disposition.[§] (a) Any [hotel]:**

**(1) Hotel or restaurant that applies a service charge for the sale of food or beverage services; or**

**(2) Hotel that applies a service charge for portorage services;**

shall distribute the service charge directly to its employees as tip income or clearly disclose to the purchaser of the services that the service charge is being used to pay for costs or expenses other than wages and tips of employees.

**(b) As used in this section, unless the context requires otherwise, “portorage” means the act of moving luggage, bags, or parcels between a guest room and a lobby, front desk, or any area with vehicular access at a hotel, hotel-condominium, or condominium-hotel, as defined in section 486K-1.”**

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved June 19, 2015.)

## ACT 138

H.B. NO. 290

A Bill for an Act Relating to the Judiciary.

*Be It Enacted by the Legislature of the State of Hawaii:*

## PART I. GENERAL PROVISIONS

SECTION 1. This Act shall be known and may be cited as the Judiciary Appropriations Act of 2015.

SECTION 2. Unless otherwise clear from the context, as used in this Act:

(a) "Program ID" means the unique identifier for the specific program, and consists of the abbreviation for the judiciary (JUD) followed by a designated number for the program.

(b) "Means of financing" or "MOF" means the source from which funds are appropriated or authorized, as the case may be, to be expended for the programs and projects specified in this Act. All appropriations are followed by letter symbols. The letter symbols, where used, shall have the following meanings:

- A general funds
- B special funds
- C general obligation bond funds
- N federal funds
- W revolving funds

(c) "Position ceiling" means the maximum number of permanent positions authorized for a particular program during a specified period or periods, as noted by an asterisk.

**PART II. PROGRAM APPROPRIATIONS**

SECTION 3. The following sums, or so much thereof as may be sufficient to accomplish the purposes and programs designated herein, are appropriated or authorized from the sources of funding specified to the judiciary for the fiscal biennium beginning July 1, 2015, and ending June 30, 2017. The total expenditures and the number of permanent positions established in each fiscal year of the fiscal biennium shall not exceed the sums and the position ceilings indicated for each year, except as provided in this Act.

**PROGRAM APPROPRIATIONS**

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL YEAR 2015-2016	FISCAL YEAR 2016-2017
<b>The Judicial System</b>					
1.	JUD101	COURTS OF APPEAL			
		OPERATING	JUD	71.00* 6,563,752 A	71.00* 6,713,204 A
2.	JUD310	FIRST JUDICIAL CIRCUIT			
		OPERATING	JUD	1,077.50* 80,710,960 A	1,077.50* 82,178,576 A
			JUD	41.00* 4,144,799 B	41.00* 4,150,321 B
3.	JUD320	SECOND JUDICIAL CIRCUIT			
		OPERATING	JUD	207.00* 16,145,386 A	207.00* 16,414,724 A
4.	JUD330	THIRD JUDICIAL CIRCUIT			
		OPERATING	JUD	228.00* 19,145,986 A	228.00* 19,427,874 A
5.	JUD350	FIFTH JUDICIAL CIRCUIT			
		OPERATING	JUD	99.00* 7,379,519 A	99.00* 7,513,151 A

## PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS		
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F	
6.	JUD501	JUDICIAL SELECTION COMMISSION				
	OPERATING		JUD	1.00* 93,418 A	1.00* 93,418 A	
7.	JUD601	ADMINISTRATION				
	OPERATING		JUD	227.00* 26,028,018 A	227.00* 25,841,778 A	
			JUD	1.00* 7,976,193 B	1.00* 7,989,841 B	
	INVESTMENT CAPITAL		JUD	343,261 W 55,000,000 C	343,261 W C	

## PART III. PROGRAM PROVISIONS

SECTION 4. Provided that whenever the need arises, the chief justice, in administering an equitable and expeditious judicial process, may transfer sufficient funds and positions between programs for operating purposes; provided further that no transfer shall be made to implement any collective bargaining contract signed after this legislature adjourns sine die.

SECTION 5. Provided that if the chief justice, or any agency, or any government unit secures federal funds or other property under any act of Congress, or any funds or other property from private organizations or individuals that are to be expended in connection with any program or works authorized by this Act, or otherwise, the chief justice, or the agency with the chief justice's approval, may enter into the undertaking with the federal government, private organization, or individual.

SECTION 6. Provided that the judiciary may transfer savings from its general fund appropriation to the driver education and training fund to accommodate any temporary cash flow deficits.

SECTION 7. Provided that of the general funds appropriated for administration (JUD601), the sum of \$600,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 shall be expended for purchase of service contracts for civil legal services; provided further that the administrative director of the courts shall submit to the legislature by February 1, 2016, a report listing the purchase of service contracts entered into from July 1, 2015, to December 31, 2015, the purpose of the contracts, and contract award amounts; and provided further that the administrative director of the courts at least twenty days prior to the convening of the regular sessions of 2016 and 2017, shall submit to the legislature a report listing: the purchase of service contracts entered into in the immediately preceding fiscal year; the purpose of the contracts; the contract award amounts; expenditures and encumbrances under the contracts; and program measures achieved by the contractors.



**PART IV. CAPITAL IMPROVEMENT PROJECTS**

SECTION 8. The sum of \$55,000,000 appropriated or authorized in part II of this Act for capital improvement projects shall be expended by the judiciary for the projects listed below; provided that several related or similar projects may be combined into a single project, if a combination is advantageous or convenient for implementation; and provided further that the total cost of the projects thus combined shall not exceed the total of the sums specified for the projects separately. The amount after each cost element and the total funding for each project listed in this part are in thousands of dollars.

CAPITAL IMPROVEMENT PROJECTS					APPROPRIATIONS (IN 000'S)	
ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	FISCAL M	FISCAL M	
				YEAR O	YEAR O	
				2015-2016 F	2016-2017 F	
<b>THE JUDICIAL SYSTEM</b>						
<b>JUD601 - ADMINISTRATION</b>						
1.		KONA JUDICIARY COMPLEX, HAWAII				
		CONSTRUCTION FOR A NEW JUDICIARY COMPLEX AT KONA, HAWAII.				
		CONSTRUCTION		55,000		
		TOTAL FUNDING	JUD	55,000C	C	

**PART V. ISSUANCE OF BONDS**

SECTION 9. General obligation bonds may be issued, as provided by law, to yield the amount that may be necessary to finance projects authorized in part II and listed in part IV of this Act; provided that the sum total of the general obligation bonds so issued shall not exceed \$55,000,000.

**PART VI. SPECIAL PROVISIONS**

SECTION 10. (a) For the purpose of this section, the "Kona judiciary complex project" means the project for which appropriations are provided under the following:

- (1) Item 1 under JUD601 - administration in part IV of Act 133, Session Laws of Hawaii 2013, as amended by Act 127, Session Laws of Hawaii 2014 — \$35,000,000 for design and construction for fiscal year 2014-2015; and
  - (2) Item 1 under JUD601 - administration in part IV of this Act — \$55,000,000 for construction for fiscal year 2015-2016.
- (b) Notwithstanding any other law to the contrary, including section 14 of this Act, if the entire appropriation for the Kona judiciary complex project is not encumbered by June 30, 2016, the entire appropriation, including any previously encumbered amount, shall lapse on that date.
- (c) To effectuate the intent of subsection (b), the judiciary shall not expend any portion of the appropriation for the Kona judiciary complex project until the entire appropriation is encumbered.
- (d) The chief justice shall submit a report to the legislature on the status of the Kona judiciary complex project, the effect of this section on the project,

and any recommendation to address any impact of this section. The report shall be submitted by October 1, 2016.

SECTION 11. Any law to the contrary notwithstanding, the appropriations under Act 1, Special Session Laws of Hawaii 2001, section 14, as amended by Act 91, Session Laws of Hawaii 2002, section 4, in the amounts indicated or balances thereof, unallotted, allotted, unencumbered, or encumbered and unrequired, are hereby lapsed:

<u>ITEM NO.</u>	<u>AMOUNT (MOF)</u>
11E	\$130,000 C"

SECTION 12. Any law to the contrary notwithstanding, the appropriations under Act 61, Session Laws of Hawaii 2011, section 7, as amended by Act 107, Session Laws of Hawaii 2012, section 3, in the amounts indicated or balances thereof, unallotted, allotted, unencumbered, or encumbered and unrequired, are hereby lapsed:

<u>ITEM NO.</u>	<u>AMOUNT (MOF)</u>
8	\$1,700,000 C"

SECTION 13. Any law to the contrary notwithstanding, the appropriations under Act 133, Session Laws of Hawaii 2013, section 7, in the amounts indicated or balances thereof, unallotted, allotted, unencumbered, or encumbered and unrequired, are hereby lapsed:

<u>ITEM NO.</u>	<u>AMOUNT (MOF)</u>
2	\$2,800,000 C"

SECTION 14. Any law or any provision of this Act to the contrary notwithstanding, except section 10(b), the appropriations made for capital improvement projects authorized in part II and listed in part IV of this Act shall not lapse at the end of the fiscal year for which the appropriations are made; provided that all appropriations made for fiscal year 2015-2016 and fiscal year 2016-2017 that are unencumbered as of June 30, 2018, shall lapse as of that date.

SECTION 15. The judiciary may delegate to other state or county agencies the planning, acquisition of land, design, construction, and equipment of any capital improvement project when it is determined by the judiciary to be advantageous to do so.

SECTION 16. All unrequired balances in the general obligation bond fund, after the objectives of part II appropriations for capital improvement program purposes listed as projects in part IV of this Act have been met, shall be transferred to the judiciary project adjustment fund.

SECTION 17. If the amount allocated from the general obligation bond fund for a capital improvement project listed in part IV of this Act is insufficient, the chief justice may make supplemental allotments from the judiciary project adjustment fund; provided that supplemental allotments shall not be used to increase the scope of the project.

SECTION 18. Where it has been determined that changed conditions, such as a reduction in the particular population being served, permit the reduc-

**ACT 139**

tion in the scope of a project listed in part IV of this Act, the chief justice may authorize the reduction of the project scope.

SECTION 19. The chief justice shall determine when and the manner in which the authorized capital improvement projects shall be initiated. The chief justice shall notify the governor from time to time of the specific amounts required for the projects, and the governor shall provide for those amounts through the issuance of bonds authorized in part V of this Act.

SECTION 20. Any law or any provision of this Act to the contrary notwithstanding, the chief justice may supplement funds for any cost element for a capital improvement project authorized under this Act by transferring sums as may be needed from the funds appropriated for other cost elements of the same project by this Act or by any other prior or future Act that has not lapsed; provided that the total expenditure of funds for all cost elements for the project shall not exceed the total appropriation for that project.

**PART VII. MISCELLANEOUS PROVISIONS AND EFFECTIVE DATE**

SECTION 21. If any portion of this Act or its application to any person or circumstances is held to be invalid for any reason, the remainder of the Act and any provision thereof shall not be affected. If any portion of a specific appropriation is held to be invalid for any reason, the remaining portion shall be independent of the invalid portion and shall be expended to fulfill the objective and intent of the appropriation to the extent possible.

SECTION 22. If any manifest clerical, typographical, or other mechanical error is found in this Act, the chief justice may correct the error. All changes made pursuant to this section shall be reported to the legislature at its next regular session.

SECTION 23. This Act shall take effect on July 1, 2015.  
(Approved June 25, 2015.)

**ACT 139**

H.B. NO. 1440

A Bill for an Act Relating to Education.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The Hawaii Keiki: Healthy and Ready to Learn program is designed to improve the access and quality of health services available to school-children by coordinating and expanding the existing efforts of community partners and resources. This program sits at the intersection of education and health to support the department of education in achieving student, school, and system success.

The Hawaii Keiki: Healthy and Ready to Learn program builds and enhances school-based health services that:

- (1) Screen for treatable health conditions;
- (2) Provide referral to primary health care and patient-centered medical home services;
- (3) Prevent and control communicable disease and other health problems; and
- (4) Provide emergency care for illness or injury.

Working with each complex area superintendent, the Hawaii Keiki: Healthy and Ready to Learn program will create services that reflect the specific needs of the individual complex area in light of student demographics, staffing, available support services, and access to health care within the community.

The purpose of this Act is to support the Hawaii Keiki: Healthy and Ready to Learn program by appropriating funds for the program.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 for expenses of the Hawaii Keiki: Healthy and Ready to Learn program; provided that the \$1,000,000 for fiscal year 2016-2017 shall be expended for the Hawaii Keiki program only if, during the fiscal year, the department of education receives and expends non-state funds of at least \$500,000 for the program.

The sums appropriated shall be expended by the department of education for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2015.

(Approved June 25, 2015.)

## ACT 140

H.B. NO. 287

A Bill for an Act Relating to the Uniform Information Practices Act.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 92F-14, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The following are examples of information in which the individual has a significant privacy interest:

- (1) Information relating to medical, psychiatric, or psychological history, diagnosis, condition, treatment, or evaluation, other than directory information while an individual is present at such facility;
- (2) Information identifiable as part of an investigation into a possible violation of criminal law, except to the extent that disclosure is necessary to prosecute the violation or to continue the investigation;
- (3) Information relating to eligibility for social services or welfare benefits or to the determination of benefit levels;
- (4) Information in an agency’s personnel file, or applications, nominations, recommendations, or proposals for public employment or appointment to a governmental position, except:
  - (A) Information disclosed under section 92F-12(a)(14); and
  - (B) The following information related to employment misconduct that results in an employee’s suspension or discharge:
    - (i) The name of the employee;
    - (ii) The nature of the employment related misconduct;
    - (iii) The agency’s summary of the allegations of misconduct;
    - (iv) Findings of fact and conclusions of law; and
    - (v) The disciplinary action taken by the agency;

when the following has occurred: the highest nonjudicial grievance adjustment procedure timely invoked by the employee or the employee’s representative has concluded; a written decision sustaining

the suspension or discharge has been issued after this procedure; and thirty calendar days have elapsed following the issuance of the decision or, for decisions involving county police department officers, ninety days have elapsed following the issuance of the decision; provided that subparagraph (B) shall not apply to a county police department officer except in a case which results in the discharge of the officer;

- (5) Information relating to an individual's nongovernmental employment history except as necessary to demonstrate compliance with requirements for a particular government position;
- (6) Information describing an individual's finances, income, assets, liabilities, net worth, bank balances, financial history or activities, or creditworthiness;
- (7) Information compiled as part of an inquiry into an individual's fitness to be granted or to retain a license, except:
  - (A) The record of any proceeding resulting in the discipline of a licensee and the grounds for discipline;
  - (B) Information on the current place of employment and required insurance coverages of licensees; and
  - (C) The record of complaints including all dispositions;
- (8) Information comprising a personal recommendation or evaluation; ~~and~~
- (9) Social security numbers~~[-]; and~~
- (10) Information that if disclosed would create a substantial and demonstrable risk of physical harm to an individual."

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 25, 2015.)

## ACT 141

S.B. NO. 223

A Bill for an Act Relating to the Office of the Public Guardian.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 551A-2, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

"(a) The public guardian shall serve as guardian, limited guardian, testamentary guardian, emergency guardian, or temporary substitute guardian of an incapacitated person when so appointed by the family court or by the circuit court under chapter 560. ~~[The]~~ Notwithstanding section 560:5-304, the public guardian may not file a petition for the public guardian's own appointment. Petitions for public guardianship may ~~also~~ be filed by any person, agency, or facility responsible for the support or care of individuals who:

- (1) Are not able to understand or adequately participate in decisions concerning their care; and
- (2) Have no relatives or friends willing and able to act as a guardian.

(b) The public guardian shall have the same powers and duties as a private guardian. In addition, if there is no conservatorship in effect for a ward, the court may authorize the public guardian to:

- (1) Request and obtain copies of any and all of the ward's financial information, records, and documents, including but not limited to account statements, deposit and withdrawal records, and canceled or returned checks, from any and all savings accounts, checking accounts, safe deposit box accounts, retirement or pension accounts, investment accounts, insurance accounts, annuity accounts, credit card accounts, and all other accounts held in the name of the ward; and
- (2) Transact business or take necessary action as to the accounts in paragraph (1);  
provided that if a conservatorship comes into effect for the ward, the public guardian shall not have and shall not exercise the powers in paragraphs (1) and (2) that have been granted to the conservator, for the duration of the conservatorship."

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 25, 2015.)

## ACT 142

S.B. NO. 544

A Bill for an Act Relating to Natural Resources.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the department of land and natural resources has the responsibility of planning for the disposition of commercial, industrial, hotel, and resort classes of public lands to determine: specific use or uses; minimum size of parcels; required building construction or improvements; and lease terms and requirements.

The legislature also finds that one of the consequences of the state law requiring that public land leases be issued pursuant to public bidding is that an existing lessee may have little incentive to make major repairs or improvements to their leasehold properties during the last five to fifteen years of the lease, which sometimes results in the deterioration of infrastructure and facilities.

The legislature further finds that the rejuvenation of areas of public lands that have become dilapidated, obsolete, or have deteriorated over time is in the public interest and constitutes a valid public purpose.

The purpose of this Act is to require the legislative reference bureau to study how other select states manage end-of-term commercial leases involving public lands and to identify best practices in commercial leasing of public lands.

SECTION 2. (a) The legislative reference bureau shall conduct a study on how other select states administer, renegotiate, re-open, extend, or otherwise dispose of long-term leases of public lands that are about to expire to determine how the respective government lessors manage, handle, or deal with leases that:

- (1) Terminate within ten years; and
- (2) Have lessees or tenants who are unwilling or unable to secure financing to invest capital into improvements that they cannot recoup due to the limited remaining term of the lease.

(b) As part of the study under subsection (a), the legislative reference bureau shall consider the means by which the State, as a landowner, can balance the public policy of opening up state lands for competitive bidding or another public disposition process to provide opportunities for new lessees to lease state lands, with the interests of existing lessees, while ensuring a fair market rental return to the State.

(c) The study shall include the current best practices relating to the terms of commercial leases of public lands in Hawaii and in other jurisdictions.

(d) In conducting the study, the legislative reference bureau may consult with the department of land and natural resources and any other public or private entity that may be of assistance. The department of land and natural resources or other public entity shall assist the legislative reference bureau by providing answers to questions and background information at the request of the bureau, or other assistance deemed relevant to the study.

(e) If the legislative reference bureau determines that it does not possess the resources or expertise necessary to conduct the study, the legislative reference bureau may contract for outside services to conduct the study; provided that the legislative reference bureau shall not be subject to chapter 103D, Hawaii Revised Statutes, in obtaining the outside services.

SECTION 3. No later than twenty days prior to the convening of the regular session of 2016, the legislative reference bureau shall submit to the legislature a report of its findings and recommendations, including any proposed legislation to incorporate current best practices in the terms of commercial leases of public lands in Hawaii.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000 or so much thereof as may be necessary for fiscal year 2015-2016 for the legislative reference bureau to conduct a study pursuant to this Act.

The sum appropriated shall be expended by the legislative reference bureau for the purposes of this Act.

SECTION 5. This Act shall take effect on July 1, 2015.

(Approved June 25, 2015.)

**ACT 143**

S.B. NO. 892

A Bill for an Act Relating to Omnibus Hawai'i Resilience and Sustainability Strategy.

*Be It Enacted by the Legislature of the State of Hawaii:*

**PART I**

SECTION 1. The legislature finds that Hawai'i needs a new way of thinking about how the State addresses critical infrastructure needs through the development of public-private partnerships that are specifically focused on research and development. The legislature's role is to create the environment for attracting partners with resources, technical expertise, and the willingness to develop a pacific hub technology park that integrates state-of-the-art communications platforms, big data analytics, and unmanned aerial vehicles.

In 2008, the State unveiled the *Hawai'i 2050 Sustainability Plan*, which was prepared by the Hawai'i 2050 sustainability task force composed of state and county government officials, University of Hawai'i representatives, and private industry representatives. The task force asked the following guiding questions: "What do the people of Hawai'i want for the future of our islands in the 21st century? What is the community's will for the future of our economy, society, and environment? What steps can we take now to achieve that preferred future for our children and their children?" Similarly, the intent of this Act is to focus on an updated strategy to achieve a sustainable and resilient Hawai'i in the long term.

The purpose of this Act is to make appropriations for a Hawai'i resilience and sustainability strategy in the areas of broadband, first responders technology campus and cyber security command center, energy efficiency and smart grid, and water and sewer infrastructure.

## PART II

SECTION 2. The legislature finds that the benefits of broadband internet access include:

- (1) Access to all types of information within a few keystrokes, whether this information is to learn a new skill, learn a new language, or complete an online course. Broadband facilitates the rapid access of information in many different forms;
- (2) Economic development to accelerate business development and provide new opportunities for innovation, expansion, and e-commerce. Communities that connect their residents create wealth and attract business investments;
- (3) Public safety to connect first responders in an emergency and allow emergency workers to communicate across disparate networks, between jurisdictions, and across different agencies, which are critical capabilities at the scene of an emergency. Police, fire, and emergency medical personnel can react to crises quickly, fostering cooperation among numerous public safety agencies;
- (4) Facilitation of healthcare delivery and creation of opportunities such as telemedicine for doctors and healthcare specialists to work together as a virtual team, with specialists located in any part of the world. A family practitioner in a small rural town can send medical images of a patient to a specialist in any part of the world for an instant expert consultation. Test results from a hospital emergency room or laboratory can be sent to a radiologist or doctor in seconds, making rapid diagnosis a reality. Doctors are also now sending prescriptions directly from their offices to pharmacies, greatly reducing errors, with automatic checking for interactions;
- (5) Enhancement of, and greater equity of access to, educational resources. Children in inner city neighborhoods, affluent homes, and farm communities can all access the same resources. Scarce textbook materials can be replaced with online resources, and children can access all of these materials from school and home;
- (6) Improved communications, which can improve people's professional and personal lives and increase participation by people with disabilities. Broadband empowers people with disabilities and removes barriers that keep them from participating in everyday activities;
- (7) Enhanced telecommuting because broadband enables people to work from home, saving time, reducing expenses, and easing traffic



- congestion. Employers have been encouraging this concept to save overhead expenses and improve employee satisfaction; and
- (8) Enabling of smart grid technology, which enables homeowners to monitor energy usage in real time and adjust usage patterns to save energy costs and aid in conservation efforts.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$500,000 or so much thereof as may be necessary for fiscal year 2015-2016 for the Hawai'i broadband initiative, which explores how a public-private partnership can deliver overall projects through research and development.

The sum appropriated shall be expended by the department of business, economic development, and tourism for the purposes of this Act.

### PART III

SECTION 4. The legislature finds that it is necessary to improve the reliability and security of the O'ahu power grid, which involves a collaborative effort of Hawaiian Electric Company; the Pacific-Asia institute for resilience and sustainability; Mehta Tech, Inc.; United States Pacific Command; and the Hawai'i department of defense; among others. The collaboration is intended to result in the deployment of state-of-the-art technology at the substation level to study the potential enhancement of security, reliability, and dependability of the electric grid on O'ahu and ultimately on all islands.

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$250,000 or so much thereof as may be necessary for fiscal year 2015-2016 for the State of Hawai'i's resilience and sustainability initiative management team to continue its collaborative research efforts in exploring methods to improve energy efficiency and grid operations in all of Hawai'i.

The sum appropriated shall be expended by the department of business, economic development, and tourism for the purposes of this Act.

### PART IV

SECTION 6. The legislature finds that the United States Environmental Protection Agency has identified Hawai'i as the focus for improving how funding is used to support water systems and infrastructure. There is approximately \$100,000,000 in unused funds from the United States Environmental Protection Agency's drinking water state revolving fund. The fund is used to make grants and low interest loans for county water improvement projects that have had difficulty obtaining necessary permits from the state department of health.

SECTION 7. There is appropriated out of the general revenues of the State of Hawaii the sum of \$250,000 or so much thereof as may be necessary for fiscal year 2015-2016 for plans by the State of Hawai'i's resilience and sustainability initiative management team to expedite county water improvement projects and target the water and sewer distribution systems on each island.

The sum appropriated shall be expended by the department of business, economic development, and tourism for the purposes of this Act.

### PART V

SECTION 8. The director of finance is authorized to issue reimbursable general obligation bonds in the sum of \$25,000,000 or so much thereof as may

be necessary and the same sum or so much thereof as may be necessary is appropriated for fiscal year 2015-2016 for the purpose of the Hawaii resilience and sustainability strategy.

SECTION 9. The sum appropriated shall be expended by the department of business, economic development, and tourism for the purposes of this Act.

SECTION 10. The appropriation made by this part shall not lapse at the end of the fiscal biennium for which the appropriation is made; provided that all moneys from the appropriation unencumbered as of June 30, 2018, shall lapse as of that date.

#### PART VI

SECTION 11. This Act shall take effect on July 1, 2015.

(Approved June 26, 2015.)

### ACT 144

H.B. NO. 707

A Bill for an Act Relating to Non-General Funds.

*Be It Enacted by the Legislature of the State of Hawaii:*

#### PART I

SECTION 1. The purpose of this Act is to repeal and abolish various non-general funds pursuant to the recommendations made by the auditor in auditor's report nos. 14-04 and 14-13.

#### PART II

SECTION 2. The purpose of this part is to repeal the cancer detection development revolving fund.

The legislature finds that the fund does not serve the purpose for which it was created and does not meet the criteria for a revolving fund.

SECTION 3. Section 211F-5.5, Hawaii Revised Statutes, is repealed.

#### PART III

SECTION 4. The following funds and accounts are abolished:

- (1) The Hawaii criminal justice commission trust account established in 1985 and administered by the department of the attorney general;
  - (2) The preservation of endangered plants trust account administratively established in 1989 and administered by the department of land and natural resources;
  - (3) The State DOD physical amelioration donation trust fund administratively established in 2010 and administered by the department of defense; and
  - (4) The UH wellness center - operating account administratively established in 2008 and administered by the University of Hawaii,
- and any remaining unencumbered balances shall be transferred to the general fund.

PART IV

SECTION 5. On July 1, 2015, all unencumbered balances remaining in the cancer detection development revolving fund repealed by section 3 of this Act shall lapse to the credit of the general fund.

PART V

SECTION 6. Statutory material to be repealed is bracketed and stricken.<sup>1</sup>

SECTION 7. This Act shall take effect on July 1, 2015.

(Approved June 26, 2015.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 145

H.B. NO. 1489

A Bill for an Act Relating to Special License Plates for National Parks.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 249, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§249- Special number plates for Haleakala National Park and Hawaii Volcanoes National Park authorized.** (a) Notwithstanding any law to the contrary, the director of finance shall issue to any registered owner of a motor vehicle, who is a resident of the State, upon completed application and payment of required fees, a special number plate for the registered owner’s motor vehicle commemorating Haleakala National Park or Hawaii Volcanoes National Park, or both, to observe the importance of the national parks in Hawaii.

(b) The director of finance of the city and county of Honolulu, in consultation with the directors of finance of the counties of Kauai, Maui, and Hawaii, the chiefs of police of the city and county of Honolulu, and the counties of Kauai, Maui, and Hawaii, and the superintendents of Haleakala National Park and Hawaii Volcanoes National Park, shall establish a special number plate design that:

- (1) Contain words, images, or both, that indicate the special number plate is issued to recognize Haleakala National Park and Hawaii Volcanoes National Park; provided that the director of finance of the city and county of Honolulu may establish special number plate designs to jointly or separately recognize Haleakala National Park and Hawaii Volcanoes National Park;
  - (2) Is similar in shape and size to the uniform state number plate prescribed by law; and
  - (3) Does not obstruct the visibility of the number or letters or any other information that is required by law to be on a number plate and are readily identifiable and distinguishable under actual traffic conditions.
- (c) The special number plate design shall not:

- (1) Infringe or otherwise violate any trademark, trade name, service mark, copyright, or other proprietary or property right;
  - (2) Represent any obscene or degrading image, idea, word, or phrase;
  - (3) Advertise or endorse a product, brand, or service that is provided for sale;
  - (4) Promote any religious belief; or
  - (5) Promote any philosophy based on prejudice or that is contrary to state civil rights laws.
- (d) Each special number plate shall be securely fastened to the motor vehicle in lieu of the uniform state number plate.
- (e) The director of finance shall charge a special number plate fee at least equal to the county's cost of providing the special number plate and administrative costs, if any, plus a fundraising fee to be determined by the director of finance in consultation with the superintendents of Haleakala National Park and Hawaii Volcanoes National Park. The fundraising fee shall be in addition to any other state or county fees collected for a motor vehicle registration or license plate.
- (f) The director of finance may charge an additional fundraising fee, of the same or a different amount as the fundraising fee established pursuant to subsection (e), for the renewal of a special number plate. If an additional fundraising fee is implemented pursuant to this subsection, the director of finance shall revoke the special number plate of the registered owner of a motor vehicle who fails to pay the additional fundraising fee imposed by this subsection.
- (g) The revenue generated by the fundraising fees, or a portion of the revenue generated by the fundraising fees as determined by the director of finance, shall be deposited in the name of the Haleakala National Park and Hawaii Volcanoes National Park in a separate county budget account. The director of finance shall determine the most efficient means of directing the revenue generated by the fundraising fees to the respective national park, or its nonprofit partner organization, as appropriate.
- (h) The director of finance may revoke all special number plates issued pursuant to this section if the total number of registered owner's of motor vehicles that obtain the special number plates is less than one hundred fifty within three years of issuance of the first special number plate.
- (i) Nothing in this section shall be construed to apply to any plates issued pursuant to section 249-9.2.
- (j) For the purposes of this section, unless a different meaning appears from the context, "special number plate" means a license plate that represents Haleakala National Park and Hawaii Volcanoes National Park."

SECTION 2. New statutory material is underscored.<sup>1</sup>

SECTION 3. This Act shall take effect on July 1, 2015.

(Approved June 26, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

A Bill for an Act Relating to the Budget Documents.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to address the budget documents. More specifically, this Act requires the six-year program and financial plan and budget to include information on pension liability and other post-employment benefits liability.

The legislature finds that this information is necessary to promote transparency in state budgeting and future cost.

SECTION 2. Section 37-62, Hawaii Revised Statutes, is amended by adding four new definitions to be appropriately inserted and to read as follows:

“Annual required contribution” means the State’s required contribution to the employees’ retirement system or Hawaii employer-union health benefits trust fund, as applicable, that is sufficient to cover:

- (1) The normal cost, which is the cost of other post-employment benefits attributable to the current year of service; and
- (2) An amortization payment, which is a catch-up payment for past service costs to fund the unfunded actuarial accrued liability over the next thirty years.

“Funded ratio” means the ratio of net assets to net liabilities of the employees’ retirement system or Hawaii employer-union health benefits trust fund, as applicable, as determined by actuarial valuation.

“Funding period” means the number of years in the future that will be required to fully fund the unfunded actuarial accrued liability of the employees’ retirement system or Hawaii employer-union health benefits trust fund, as applicable, based upon actuarial assumptions and no assumed future actuarial gains or losses.

“Unfunded actuarial accrued liability” means the portion of the actuarial accrued liability, including the present value of benefits presently being paid to retirees, that exceeds the value of current assets.”

SECTION 3. Section 37-69, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) The financial plan for the ensuing six fiscal years shall more specifically include:

- (1) Economic data for the State and the counties of the following kinds:
  - (A) Population: Including historical, current, and projected population count; population distribution by age and sex; estimated increases and decreases, including increases and decreases by immigration;
  - (B) Employment: Including magnitude of labor force by age and sex; labor force participation rates; employment by age and sex; industry and occupational surpluses and shortages; effects of government programs on employment rate;
  - (C) Income: Including per capita and per family income; disposable income; income distribution;
  - (D) Wages and prices: Including wages by industry and occupational groups; prices for government procurement items; construction costs; cost of living index; price indices for components of personal consumption;

- (E) Industry and business trends; and
  - (F) Effects of national economic and financial policies and conditions;
- (2) Brief statements disclosing the basis upon which the revenue estimates in the plan were made, including for each specific tax and nontax revenue source:
- (A) The previous projections for the last completed fiscal year and the fiscal year in progress;
  - (B) The variance between the projections and the actual or revised estimate, and the reasons for the variances;
  - (C) Tax or source base and rates;
  - (D) Yield projections of existing revenue sources and existing taxes at authorized rates;
  - (E) Assumptions made and methodology used in projections;
  - (F) Changes recommended; and
  - (G) Projected yields if changes are adopted; etc.;
- (3) At the lowest level on the state program structure, for each program:
- (A) The total actual program cost for the last completed fiscal year, the estimated cost for the fiscal year in progress, and the estimated cost for each of the next six fiscal years; research and development, operating, and capital costs shall be included and the means of financing shall be identified. The number of personnel positions and all lease payments shall be shown for the program, identified by their means of financing;
  - (B) The program size indicators; the actual size attained in the last completed fiscal year, the estimated size for the fiscal year in progress, and the estimated size for each of the next six fiscal years; and
  - (C) The effectiveness measures; the actual level of effectiveness attained in the last completed fiscal year, the estimated level of effectiveness for the fiscal year in progress, and the estimated level for each of the next six fiscal years;
- (4) Appropriate displays of paragraph (3)(A) and (C), at every level of the state program structure above the lowest level, by the major groupings of programs encompassed within the level. The displays of [[paragraph]] (3)(A) shall appropriately identify the means of financing and the number of positions included in the level;
- (5) Financial summaries displaying the State's financial condition, actual for the last completed fiscal year, and estimated for the fiscal year in progress and each of the next six fiscal years, including:
- (A) A display of the programmed, total state expenditures, by cost categories, the total state resources anticipated from existing tax and nontax sources at existing rates, by resource categories, including the fund balance or deficit at the beginning of the fiscal year and bond receipts, and the resulting fund balance or deficit at the close of each fiscal year. Lease payments in each cost category shall be stated separately; and
  - (B) The changes proposed to the existing tax and nontax rates, sources or structure, and the estimated increases or reductions in revenues, the estimated cumulative increases or reductions, and the estimated fund balance or deficit in each of the next six fiscal years as a result of such proposed changes. Proposals for changes in the existing tax and nontax rates, sources or structure shall be made in every case where the proposed, total

state expenditures exceed the total resources anticipated from existing tax and nontax sources at existing rates.

Such financial summaries shall be prepared for the total state expenditures and resources and for the general fund and special fund portions thereof;

- (6) A summary of the balance of each special fund, actual for the last completed fiscal year and estimated for the fiscal year in progress and estimated for each of the next six fiscal years;
- (7) A summary of the State's total bond fund required to carry out the recommended programs and the kinds of bonds and amounts thereof through which the requirements were met in the last completed fiscal year, are to be met in the fiscal year in progress, and are proposed to be met in each of the next six fiscal years. The summary shall detail, for each fiscal year:
  - (A) Of the total bond fund requirements, the amount, by cost categories, requiring new bond issuance authorization and the kinds and amounts of bonds planned for issuance under such new authorizations;
  - (B) By bond categories, the total, cumulative balance of bonds authorized in prior years but unissued and the amount thereof proposed to be issued; and
  - (C) A recapitulation of the total bonds to be issued, including both new authorizations and prior authorizations, by bond categories;
- (8) Separately for general fund tax revenues, special fund tax revenues, general fund nontax revenues, and special fund nontax revenues:
  - (A) By kinds of taxes or sources, the amount of revenue from existing, authorized taxes or sources at existing rates received in the last completed fiscal year and estimated to be received in the fiscal year in progress and in each of the next six fiscal years;
  - (B) A summary of the proposed changes in the existing taxes or sources or rates, and the estimated increases or reductions in revenues in each of the next six fiscal years resulting from such changes; and
  - (C) The total estimated revenues with and without the proposed changes in each of the next six fiscal years; ~~and~~
- (9) A summary of the State's total payments due under financing agreements required to carry out the recommended programs and the kinds of financing agreements and amounts thereof through which the requirements were met in the last completed fiscal year, are to be met in the fiscal year in progress, and are proposed to be met in each of the next six fiscal years. The summary shall detail, for each fiscal year:
  - (A) Of the total financing agreement requirements, the amount, by cost categories, requiring new financing agreement authorizations and the kinds and amounts of financing agreements planned for execution and delivery under such new authorizations;
  - (B) By cost category, the cumulative balance of financing agreements authorized in prior years but not executed and delivered and the amount proposed to be executed and delivered; and

- (C) A recapitulation of the total financing agreements to be executed and delivered, including both new authorizations and prior authorizations, by cost categories[-]; and
- (10) A summary of the state government's pension liability and other post-employment benefit liability for which the most current information is available, including:
- (A) Unfunded actuarial accrued liability specified in the latest actuarial valuation report available in the pertinent fiscal year;
  - (B) Funded ratio specified in the latest actuarial valuation report available in the pertinent fiscal year;
  - (C) Funding period specified in the latest actuarial valuation report available in the pertinent fiscal year; and
  - (D) Annual required contribution for the pertinent fiscal year and the proportion of the annual required contribution budgeted to be paid in that fiscal year."

SECTION 4. Section 37-71, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

"(d) The summaries of the state receipts and revenues shall more specifically include:

- (1) Financial summaries displaying the State's financial condition, to-wit:
  - (A) A display of the proposed, total state expenditures, by cost categories, the total state resources anticipated from existing taxes and nontax sources at existing rates, by resource categories (including the available fund balances or deficits and anticipated bond receipts), and the fund balance or deficit resulting therefrom for the biennium in progress, for the ensuing biennium, and for each of the two fiscal years of the ensuing biennium; and
  - (B) The changes proposed to the existing tax and nontax rates, sources, or structure, and the estimated cumulative increases or reductions, and the estimated fund balance or deficit in the ensuing biennium and in each of the two fiscal years of the biennium as a result of such proposed changes. Proposals for changes in the existing tax and nontax rates, sources, or structure shall be made in every case where the proposed, total state expenditures exceed the total state resources anticipated from existing tax and nontax sources at existing rates.

Such financial summaries shall be prepared for the total state expenditures and resources and for the general fund and special fund portions thereof;

- (2) A summary of the balances of each special fund, actual for the last completed fiscal year and estimated for the fiscal year in progress and for each of the two fiscal years in the ensuing biennium;
- (3) A summary of the State's total bond fund required to carry out the recommended programs and the kinds of bonds and amounts thereof through which such requirements are to be met in the biennium in progress and in each of the two fiscal years in the ensuing biennium. The summary shall detail for the biennium in progress and for each of the two years of the ensuing biennium:
  - (A) Of the total requirements, the amount, by cost categories, requiring new bond issuance authorization and the kinds



- and amounts of bonds planned for issuance under such new authorization;
- (B) By bond categories, the total, cumulative balance of bonds authorized in prior years but unissued and the amount thereof planned to be issued; and
  - (C) A recapitulation of the total bonds, both new authorizations and prior authorizations, by bond categories, proposed to be issued;
- (4) A tentative schedule by quarter and fiscal year of the amount of general obligation bonds and the amount of revenue bonds proposed to be issued in the ensuing fiscal biennium;
- (5) A schedule of projected debt service charges for general obligation bonds outstanding at the time of the submission of the budget and to be issued by the close of the budget biennium in progress and the close of the ensuing budget biennium. The projection shall be separately stated for:
- (A) Bonds currently outstanding;
  - (B) Bonds to be issued during the remainder of the fiscal biennium in progress and during the ensuing fiscal biennium; and
  - (C) The total bonds currently outstanding and to be issued.
- In each case, the projection shall be categorized into debt service to be paid directly from the general fund, debt service to be paid through reimbursements, and total debt service. The projection shall extend at least five years beyond the close of the ensuing fiscal biennium. An explanation shall be appended to the schedule, which shall include among other things, the amount of bonds to be issued during the fiscal year in progress and in each of the two fiscal years of the ensuing biennium, the maturities of the bonds to be issued, the method of retirement, and the interest rate assumed in the projection;
- (6) A schedule of the current state funded debt, legal debt limit, and the legal debt margin, including the details thereof. In any budget which proposes appropriations for which the source of funding is general obligation bonds, the schedule shall include a declaration by the director of finance and computations showing that the total amount of principal and interest, estimated for such proposed appropriations and for all bonds authorized and unissued and calculated for all bonds issued and outstanding, will not cause the debt limit to be exceeded at the time of issuance;
- (7) Separately for general fund tax revenues, special fund tax revenues, general fund nontax revenues, and special fund nontax revenues:
- (A) By kinds of taxes or sources, the amount of revenue from existing, authorized taxes or sources at existing rates received in the last completed fiscal year and estimated to be received in the fiscal year in progress and in each of the two fiscal years in the ensuing biennium, with appropriate totals for the two bienniums;
  - (B) A summary of the proposed changes in the existing taxes or sources or rates, and the estimated increases or reductions in revenues in each of the two years in the ensuing fiscal biennium resulting from such changes; and
  - (C) The total estimated revenues with and without the proposed changes; [and]

- (8) A summary of the State's total payments due under financing agreements required to carry out the recommended programs and the kinds of financing agreements and amounts thereof through which ~~[such]~~ those requirements are to be met in the biennium in progress and in each of the two fiscal years in the ensuing biennium. The summary shall detail for the biennium in progress and for each of the two years of the ensuing biennium:
- (A) Of the total financing agreement requirements, the amount, by cost categories, requiring new financing agreement authorizations and the kinds and amounts of financing agreements planned for execution and delivery under ~~[such]~~ the new authorizations;
  - (B) By cost category, the cumulative balance of financing agreements authorized in prior years but not executed and delivered and the amount thereof proposed to be executed and delivered; and
  - (C) A recapitulation of the total financing agreements to be executed and delivered, including both new authorizations and prior authorizations, by cost categories~~[-];~~ and
- (9) The same information required under section 37-69(c)(10) for the state government's pension and other post-employment benefits liabilities."

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 2016, and shall apply to the six-year program and financial plan, budget, and supplemental budget submitted to the legislature, for the regular session of 2017.

(Approved June 26, 2015.)

## ACT 147

S.B. NO. 159

A Bill for an Act Relating to the Repeal of Non-General Funds.

*Be It Enacted by the Legislature of the State of Hawaii:*

### PART I

SECTION 1. The purpose of this part is to repeal the Captain Cook memorial fund.

The legislature finds that the fund is no longer necessary. It has had no activity in recent years and a very small balance.

SECTION 2. Section 6E-4, Hawaii Revised Statutes, is amended to read as follows:

~~“[§6E-4]~~ **Administration.** All state historic areas and buildings surplus to the operations of the department of accounting and general services shall be transferred by executive order to the department~~[-; except as provided in section 6E-33].~~ All state projects and programs relating to historic preservation shall come under the authority of the department.”

SECTION 3. Section 6E-33, Hawaii Revised Statutes, is repealed.

**PART II**

SECTION 4. The purpose of this part is to repeal the food distribution program revolving fund.

The legislature finds that the revolving fund has no balance or recent activity. Thus, the legislature finds that the revolving fund is not necessary.

SECTION 5. Section 302A-1315, Hawaii Revised Statutes, is repealed.

**PART III**

SECTION 6. The purpose of this part is to address the public health nursing services special fund, which is the source of funding for the program providing case management services for medically fragile children.

More specifically, this part repeals the special fund, but retains the case management services program.

The legislature finds that the special fund has a relatively low balance and minimal activity. Thus, the legislature finds that the special fund is not necessary.

The legislature believes that case management services for medically fragile children is worthy of continuation. Accordingly, the legislature retains reference to the program in statute and intends that it be provided with general funds.

SECTION 7. Chapter 321, Hawaii Revised Statutes, is amended by amending the title of part XXXV to read as follows:

**“[PART XXXV.]—PUBLIC HEALTH NURSING SERVICES SPECIAL FUND] CASE MANAGEMENT SERVICES FOR MEDICALLY FRAGILE CHILDREN”**

SECTION 8. Section 321-432, Hawaii Revised Statutes, is amended to read as follows:

~~“[§321-432]—Public health nursing services special fund. (a) There is established within the state treasury a special fund to be known as the public health nursing services special fund. The special fund shall be administered and expended by the department of health in accordance with this section.~~

~~(b) Case management services for medically fragile children. The department of health shall [expend the special funds to] provide ongoing case management services and [to provide] staff training in case management services in collaboration with the department of human services’ medicaid early and periodic screening, diagnosis, and treatment program, including but not limited to:~~

- ~~(1) Assessment of children who are medically fragile to determine service needs;~~
- ~~(2) Development of a specific care plan;~~
- ~~(3) Referral for and linkages to services to implement the specific care plan; and~~
- ~~(4) Monitoring and follow-up.~~

~~“(e) The special fund shall consist of medicaid] Medicaid reimbursements received by the department for case management services provided to families of medically fragile children[-] shall be deposited into the general fund.”~~

## PART IV

SECTION 9. The purpose of this part is to repeal the blind shop revolving and handicraft fund.

The legislature finds that the revolving fund has a relatively low balance. Thus, the legislature finds that the revolving fund is not necessary.

Although the revolving fund is repealed, this part retains the department of human services' authority to provide the blind workshop and home labor program using other sources of funding to be determined under the executive budget process.

SECTION 10. Section 347-12, Hawaii Revised Statutes, is amended to read as follows:

**“§347-12 Blind shop [revolving] and handicraft [fund.] program.** The [department of budget and finance shall create and maintain a revolving fund entitled “blind shop revolving and handicraft fund”. This fund may be used by the] department of human services [for] may provide a workshop [purposes] or home labor [purposes] program for the blind or others, who, in the opinion of the department of human services, will [be benefited by such] benefit from the experience [and all moneys in the fund may be expended for materials, machinery, and other facilities and for the erection, operation, and conduct of such workshops and for the payment of such compensation as the department of human services authorizes. All proceeds derived from the sale of products of the workshops or the home labor shall be deposited in the fund]. Under the program, the department may train blind or other persons to produce crafts and other products for sale.

This section shall be subject to any federal policies, rules, or regulations; ~~which~~ that may be applicable in order to obtain federal aid or the cooperation of any federal agency concerned.”

## PART V

SECTION 11. The following funds are abolished:

- (1) The donations for voter registration drive trust account established in 1984 and administered by the department of accounting and general services;
- (2) The Hawaii FYI - ICSD trust account administratively established in 1996 and administered by the department of accounting and general services;
- (3) The parking control revolving fund escrow account administered by the department of accounting and general services;
- (4) The returned ACH tax refunds trust account administratively established in 2004 and administered by the department of accounting and general services;
- (5) The HDOA biocontrol foreign exploration special fund created in 2010 and administered by the department of agriculture;
- (6) The Hawaii EUTF self-directed investments trust account created in 2007 and administered by the department of budget and finance; and
- (7) An account controlled by the state commission on fatherhood, and any remaining balances shall be transferred to the general fund.

SECTION 12. On July 1, 2015, all unexpended and unencumbered balances remaining in the accounts and funds repealed by this Act shall lapse to the credit of the general fund; provided that the director of finance shall transfer the unencumbered balance in the Captain Cook memorial fund to the state parks special fund.

PART VI

SECTION 13. Statutory material to be repealed is bracketed and stricken.<sup>1</sup> New statutory material is underscored.

SECTION 14. This Act shall take effect on July 1, 2015.

(Approved June 26, 2015.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 148

S.B. NO. 250

A Bill for an Act Relating to Federal Funds.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to address the expenditure of federal funds.

Specifically, this Act:

- (1) Expressly states that the disbursement of federal-aid moneys is subject to legislative appropriation or other law authorizing expenditure;
- (2) Amends the definition of "federal funds" in the executive budget act to include financial aid reasonably anticipated to be received from the federal government; and
- (3) Allows the expenditure of federal moneys that have not been appropriated when authorized by proviso in the budget or supplemental budget act.

The legislature intends that this Act clarify that the expenditure of federal funds is subject to legislative appropriation or other authorization.

The legislature also intends that this Act shall apply to the judiciary by operation of section 601-2, Hawaii Revised Statutes.

The legislature finds that this Act is necessary to:

- (1) Promote transparency in budgeting;
- (2) Enhance the appropriation authority of the legislature; and
- (3) Increase current and potential beneficiaries' awareness of the availability of federal funds to improve their future budget planning efforts.

SECTION 2. Section 29-16, Hawaii Revised Statutes, is amended to read as follows:

**"§29-16 Treasury as depository; duties of comptroller.** All federal-aid moneys received by the State, except as otherwise provided for by the federal government, shall be deposited with the director of finance and, subject to appropriation by the legislature or other law authorizing expenditure, shall be

disbursed upon warrants drawn by the comptroller of the State supported by vouchers approved by the board, commission, department, or officer having charge of the expenditure of the moneys by virtue of the plan, agreement, or arrangement entered into or made with the proper federal agency.

The comptroller may prescribe and maintain [such] a system of accounts and accounting as may be required by the federal government, or any agency thereof, in carrying out the objects and purposes of the plan, agreement, or arrangement.”

SECTION 3. Section 37-62, Hawaii Revised Statutes, is amended by amending the definitions of “federal aid interstate”, “federal aid primary”, “federal aid secondary”, “federal aid urban”, and “federal receipts” to read as follows:

““Federal aid interstate” means funds received or reasonably anticipated to be received from the federal government for the purpose of constructing the interstate highway system in the State.

“Federal aid primary” means funds received or reasonably anticipated to be received from the federal government for the purpose of constructing primary roadways.

“Federal aid secondary” means funds received or reasonably anticipated to be received from the federal government for the purpose of constructing secondary roadways.

“Federal aid urban” means funds received or reasonably anticipated to be received from the federal government for the purpose of constructing roads in urban areas.

“Federal [receipts] funds” means financial aid received or reasonably anticipated to be received from the federal government.”

SECTION 4. Section 37-74, Hawaii Revised Statutes, is amended to read as follows:

“§37-74 Program execution. (a) Except as limited by policy decisions of the governor, appropriations by the legislature, and other provisions of law, the several agencies responsible for administering state programs shall administer their program assignments and shall be responsible for their proper management.

(b) The appropriations by the legislature for a biennium shall be allocated between the two fiscal years of the biennium in the manner provided in the budget or appropriations act and as further prescribed by the director of finance. The amounts allocated for each fiscal year shall be subject to the allotment system prescribed in chapter 37, part II. Each agency (except the courts), in estimating its quarterly requirements under chapter 37, part II, shall prepare a plan for the fiscal year for the operation of each of the programs it is responsible for administering. The operations plan shall be in [such] a form and content as the department of budget and finance may prescribe. It shall be submitted, together with the estimated quarterly requirements, to the department of budget and finance on [such] a date as the department may prescribe.

(c) The department of budget and finance shall:

- (1) Review each operations plan to determine:
  - (A) That it is consistent with the policy decisions of the governor and appropriations by the legislature;
  - (B) That it reflects proper planning and efficient management methods; and
  - (C) That appropriations have been made for the planned purpose and will not be exhausted before the end of the fiscal year;

provided that the department of budget and finance shall review the operations plan submitted by the University of Hawaii solely for consistency with the allotment ceilings established by the governor under section 37-34, appropriations by the legislature, the requirements of chapter 37D, and the status of revenues to support operations plans for all state programs;

- (2) Approve the operations plan if satisfied that it meets the requirements under paragraph (1). Otherwise, the department of budget and finance shall require revision of the operations plan in whole or in part; and
  - (3) Modify or withhold the planned expenditures at any time during the appropriation period if the department of budget and finance finds that the expenditures are greater than those necessary to execute the programs at the level authorized by the governor and the legislature, or that state receipts and surpluses will be insufficient to meet the authorized expenditure levels; provided that the planned expenditures for the University of Hawaii may be modified or withheld only in accordance with sections 37-36 and 37-37.
- (d) No appropriation transfers or changes between programs or agencies shall be made without legislative authorization; provided that:
- (1) Authorized transfers or changes, when made, shall be reported to the legislature;
  - (2) Except with respect to appropriations to fund financing agreements under chapter 37D, the University of Hawaii shall have the flexibility to transfer appropriated funds and positions for the operating cost category among programs, among cost elements in a program, and between quarters, as applicable; except with respect to appropriations to fund financing agreements under chapter 37D, the department of education shall have the flexibility to transfer appropriated funds and positions for the operating cost category among programs and among cost elements in a program, and between quarters, as applicable; and the Hawaii health systems corporation and its regional system boards shall have the flexibility to transfer special fund appropriations among regional system hospital facilities as applicable and as mutually agreed to by the corporation and the respective regional system board; provided that the Hawaii health systems corporation and the regional system boards shall maintain the integrity and services of each individual regional system and shall not transfer appropriations out of any regional system that would result in a reduction of services offered by the regional system, with due regard for statutory requirements, changing conditions, the needs of the programs, and the effective utilization of resources; and
  - (3) The university and the department of education shall account for each transfer implemented under this subsection in quarterly reports to the governor and annual reports at the end of each fiscal year to the legislature and the governor, which shall be prepared in the form and manner prescribed by the governor and shall include information on the sources and uses of the transfer.

(e) For the purpose of this subsection, "unanticipated federal moneys" means financial aid from the federal government that is not appropriated in the budget or supplemental budget act. After June 30, 2017, unanticipated federal moneys may be expended when and in the manner authorized by proviso in the

budget or supplemental budget act and shall be deemed an appropriation for the purpose of Article VII, section 5, of the Constitution of the State of Hawaii.”

SECTION 5. Section 601-2, Hawaii Revised Statutes, is amended by amending subsections (b) and (c) to read as follows:

“(b) The chief justice shall possess the following powers, subject to [sueh] rules as may be adopted by the supreme court:

- (1) To assign circuit judges from one circuit to another;
- (2) In a circuit court with more than one judge, (A) to make assignments of calendars among the circuit judges for [sueh] a period as the chief justice may determine and, as deemed advisable from time to time, to change assignments of calendars or portions thereof (but not individual cases) from one judge to another, and (B) to appoint one of the judges, for [sueh] a period as the chief justice may determine, as the administrative judge to manage the business of the court, subject to the rules of the supreme court and the direction of the chief justice;
- (3) To prescribe for all of the courts a uniform system of keeping and periodically reporting statistics of their business;
- (4) To procure from all of the courts estimates for their appropriations; with the cooperation of the representatives of the court concerned to review and revise them as the chief justice deems necessary for equitable provisions for the various courts according to their needs and to present the estimates, as reviewed and revised by the chief justice, to the legislature as collectively constituting a unified budget for all of the courts;
- (5) To exercise exclusive authority over the preparation, explanation, and administration of the judiciary budget, programs, plans, and expenditures, including without limitation policies and practices of financial administration and the establishment of guidelines as to permissible expenditures, provided that all expenditures of the judiciary shall be in conformance with program appropriations and provisions of the legislature, and all powers of administration over judiciary personnel that are specified in Title 7; and
- (6) To do all other acts [which] that may be necessary or appropriate for the administration of the judiciary.

(c) The budget, supplemental budget, six-year program and financial plan, and the variance report of the judiciary shall be submitted by the chief justice to the legislature in accordance with the schedule of submission specified for the governor in chapter 37 and shall contain the program information prescribed in that chapter[-] as applicable to the judiciary. By November 1 of each year preceding a legislative session in which a budget is to be submitted, the chief justice shall provide written notification to the governor of the proposed total expenditures, by cost categories and sources of funding, and estimated revenues of the judiciary for each fiscal year of the next fiscal biennium[-] or fiscal year, as applicable.”

SECTION 6. Sections 3, 4, and 5 shall apply to the six-year program and financial plans and budgets submitted under sections 37-69, 37-71, 37-72, and 601-2, Hawaii Revised Statutes, after the effective date of this Act.

SECTION 7. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.



SECTION 8. This Act shall take effect on July 1, 2016.  
(Approved June 26, 2015.)

ACT 149

S.B. NO. 253

A Bill for an Act Relating to State Debt.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to address state debt.  
More specifically, this Act requires the director of finance to submit to the legislature the following:

- (1) A state debt management policy before the convening of the regular session of 2017, as recommended by the Government Finance Officers Association; and
- (2) A debt affordability study before the convening of the regular session of each odd-numbered year.

The legislature intends that this Act should promote both transparency in budget-making and more informed decisions on capital improvement project and debt issuance authorizations.

SECTION 2. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

**“CHAPTER  
STATE DEBT**

**PART I. STATE DEBT MANAGEMENT POLICY**

§ -1 **State debt management policy; establishment.** (a) The director of finance, with the approval of the governor, shall submit to the legislature a recommended state debt management policy, in accordance with this chapter, at least twenty days prior to the convening of the regular session of 2017.

(b) The recommended state debt management policy shall consist of guidelines and restrictions that affect the amount and type of bonds issued by the state government, the issuance process, and the management of the state debt portfolio. The purpose of the policy shall be to improve the quality of decisions, provide justification for the structure of debt issuance, identify policy goals, and demonstrate a commitment to long-term financial planning, including a multi-year capital plan and debt service payment schedule.

(c) The recommended state debt management policy shall address bonded debt as well as financing agreements, certificates of participation, and other instruments that provide financing for state facilities in return for periodic lease or other payments.

(d) The director of finance may submit recommended amendments of the policy to the legislature prior to the convening of any regular session.

§ -2 **Recommended debt management policy; parameters.** The recommended state debt management policy shall be consistent with, but may be more restrictive than, state constitutional provisions and statutes. The recommended state debt management policy shall address the following issues, as well as any others deemed necessary by the director of finance:

- (1) Purposes for which debt may be issued;

- (2) Types of debt that may be issued;
- (3) Limitations on indebtedness;
- (4) Debt maturity schedule or other structural features;
- (5) Method of sale;
- (6) Method of procuring consultants and professionals;
- (7) Refunding policies; and
- (8) Disclosure practices.

§ -3 **Debt management policy; duties of the legislature.** Upon receipt from the director of finance, the legislature shall consider the recommended state debt management policy. The legislature may establish the policy, with or without modification, by act.

## PART II. DEBT AFFORDABILITY STUDY

§ -11 **Definitions.** For the purpose of this part:

“Ensuing twenty-five fiscal year period” means the twenty-five fiscal years following the submittal of a multi-year program and financial plan to the legislature.

“Fiscal years covered by the applicable multi-year program and financial plan” means the six fiscal years following the submittal of the multi-year program and financial plan to the legislature.

§ -12 **Debt affordability study.** The director of finance shall submit to the legislature a debt affordability study prior to the convening of the regular session of each odd-numbered year. The director shall submit the study with the multi-year program and financial plan.

§ -13 **Debt affordability study; purpose, information.** (a) The purpose of the debt affordability study shall be to provide the legislature with information on the affordability of the future debt planned for the State.

(b) The debt affordability study shall include the following information:

(1) The projected annual appropriation, by source of funding, necessary to pay the annual debt service for the ensuing twenty-five fiscal year period on the following bonds, under the assumption that all are issued:

(A) All authorized, but unissued bonds that have not lapsed as of the September 30 immediately preceding submittal of the study; and

(B) All bonds necessary to fund the capital improvement projects proposed in the fiscal years covered by the applicable multi-year program and financial plan;

(2) A debt service payment schedule showing the annual appropriation, by source of funding, necessary to pay, during the ensuing twenty-five fiscal year period, the annual debt service on:

(A) All bonds identified under paragraph (1); and

(B) All bonds previously issued, but remaining outstanding;

(3) The projected ratio of the following for each source of funding pledged to pay debt service on bonds during each fiscal year of the ensuing twenty-five fiscal year period:

(A) Annual debt service payments to annual revenues; and

(B) Annual debt service payments to annual appropriations;

- (4) An examination of whether projected annual revenues from the source of funding are adequate to pay for the annual debt service on the bonds;
- (5) An examination of whether any increase in annual debt service payments on the bonds will cause a commensurate decrease of funds available for operating programs with the same source of funding as the debt service payments;
- (6) An assessment of whether the annual debt service obligations of the State for the fiscal years covered by the applicable multi-year program and financial plan are affordable to the State; and
- (7) An identification of, and discussion on, any non-compliance or possible non-compliance of the State's actual or planned debt issuance with the state debt management policy.

The director of finance may include any other information in the study deemed appropriate or necessary by the director."

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 for the preparation of the state debt management policy and the debt affordability study.

The sums appropriated shall be expended by the department of budget and finance for the purposes of this Act.

SECTION 4. This Act shall take effect on July 1, 2015.

(Approved June 26, 2015.)

ACT 150

S.B. NO. 254

A Bill for an Act Relating to the Budget.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to address the budget.

More specifically, this Act requires summaries of the following information collected by the director of finance from executive agencies to be included in the multi-year program and financial plan and the executive budget documents submitted in odd-numbered years and the supplemental budget in even-numbered years:

- (1) The estimated operational costs of proposed capital improvement projects. Act 135, Session Laws of Hawaii 2014, requires the director of finance to collect the information; and
- (2) The deferred maintenance costs for state-owned buildings, facilities, and other improvements.

The legislature intends that the judiciary submit to the legislature similar estimated operational cost information on its proposed capital improvement projects by operation of section 601-2, Hawaii Revised Statutes.

SECTION 2. Section 37-68, Hawaii Revised Statutes, is amended to read as follows:

**"§37-68 Responsibilities of agencies.** Under rules as may be prescribed by the director of finance with the approval of the governor:

- (1) Each agency assigned the task of developing programs and preparing program and financial plans, budgetary requests, and program performance reports shall develop the programs and prepare the plans, requests, and reports and submit the same to the director of finance at times, on forms, and in a manner as the director may prescribe. For informational purposes, the University of Hawaii shall submit its program and financial plans, budgetary requests, and program performance reports to the legislature at the same time the university submits them to the director of finance. Where new programs are being proposed, each agency shall demonstrate that the program:
  - (A) Is an appropriate function of state government; and, as applicable
  - (B) Can be implemented by the public sector as cost-effectively as the private sector while meeting the same plans, goals, objectives, standards, measures of effectiveness, wage, salary, conditions of employment, and employee benefit programs of the State;
- (2) Each agency administering state programs and each agency responsible for the formulation of programs and the preparation of program and financial plans, budgetary requests, and program performance reports, shall furnish the department of budget and finance all documents and information as the department may from time to time require. Each agency shall make available all documents and information, as may be requested, to the legislature and any member or committee of either house of the legislature;
- (3) The director of finance or any employee of the department of budget and finance, when duly authorized, for the purpose of securing information, shall have access to and may examine any books, documents, papers, or records of any agency; ~~and~~
- (4) Each agency submitting a capital improvement project proposal shall furnish the department of budget and finance with an estimate of operational costs for the proposed capital improvement project and all documents that support the estimate of operational costs. Each agency shall make available all documents and related information, as may be requested, to the legislature and any member or committee of either house.

The director of finance shall provide a summary of this information in the multi-year program and financial plan and budget submitted to the legislature before the regular session of each odd-numbered year and the supplemental budget submitted to the legislature before the regular session of each even-numbered year; and

- (5) Each agency responsible for operating or maintaining a state-owned building, facility, or other improvement shall furnish the department of budget and finance with an estimate of the deferred maintenance costs for the building, facility, or other improvement.

The director of finance shall provide a summary of this information in the multi-year program and financial plan and budget submitted to the legislature before the regular session of each odd-numbered year and the supplemental budget submitted to the legislature before the regular session of each even-numbered year.

For the purposes of this paragraph, "deferred maintenance costs" means the costs to catch-up on the repair and maintenance of the state-owned building, facility, or other improvement that

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has been delayed past the ordinarily scheduled repair and maintenance cycle. The department of budget and finance may further refine this definition in its instructions to the agencies furnishing the information.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2016.

(Approved June 26, 2015.)

**ACT 151**

S.B. NO. 996

A Bill for an Act Relating to Ethics.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Legislators, certain state officials and employees, and candidates for state elective office are required to file financial disclosure statements and other reports with the state ethics commission. Similarly, lobbyists and organizations involved with lobbying activities are required to file expenditure and other lobbying-related reports with the state ethics commission. The legislature finds that it is in the best interests of the filer and the public for the state ethics commission to design and develop a system that allows filers to electronically file the required statements and reports.

The purpose of this Act is to appropriate funds to the state ethics commission to design and develop a system that allows filers to electronically file required statements and reports with the state ethics commission.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$130,000 or so much thereof as may be necessary for fiscal year 2015-2016 to design and develop a system that allows filers to electronically file required statements and reports with the state ethics commission.

The sum appropriated shall be expended by the state ethics commission for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2015.

(Approved June 26, 2015.)

**ACT 152**

H.B. NO. 482

A Bill for an Act Relating to Agriculture.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Act 105, Session Laws of Hawaii 2014, is amended by amending section 3 to read as follows:

“SECTION 3. (a) There is established in the department of agriculture a pesticide subsidy program to be administered by the department for five years beginning on July 1, 2014, and ending on June 30, 2019. The department shall

grant subsidies to coffee growers to assist them in offsetting the costs of purchasing any pesticide that is listed by the department pursuant to subsection (f).

(b) Applications for subsidies by coffee growers shall be submitted on a form furnished by the department and shall be filed with accompanying documentation of the costs of purchasing the pesticide; provided that:

- (1) The applicant shall indemnify and hold harmless the State and its officers, agents, and employees from all claims arising out of or resulting from the pesticide purchased; and
- (2) The department may request an applicant to provide necessary information for the purposes of verifying the size or sale weight, as applicable, and amount of the pesticide purchased.

(c) Documentation of pesticide costs, as requested by the department, shall be filed for pesticides purchased within the immediate preceding fiscal year of filing and shall be effective for pesticide costs incurred after June 30, 2014, and before July 1, 2019.

(d) Funds shall be disbursed from the pesticide use revolving fund established under section 149A-13.5, Hawaii Revised Statutes, upon approval on an annual basis by the department to the coffee grower for up to seventy-five per cent of the costs incurred for the purchase of the pesticide before July 1, 2016, and for up to fifty per cent of the costs incurred after June 30, 2016, and before July 1, 2019.

(e) The department shall aggregate the total subsidy applications pursuant to this section and divide and distribute the available subsidy funds on a pro rata basis; provided that no single coffee grower shall receive subsidies that are more than \$600 per year per acre of land in coffee production; provided further that no single coffee grower shall receive subsidies that are more than \$9,000 per year.

(f) The department shall establish a list of pesticides that are registered with the Environmental Protection Agency and are licensed with the State that contain *Beauveria bassiana*, a fungus known to eradicate the coffee berry borer, as an active ingredient.

(g) There is established within the department a pesticide subsidy program manager position, which shall be a full-time, temporary position exempt from chapters 76 and 89, Hawaii Revised Statutes. The pesticide subsidy program manager shall possess a requisite level of knowledge and expertise in the area of program management necessary to carry out the duties of the position. The pesticide subsidy program manager shall:

- (1) Facilitate the efficient division and distribution of available subsidy funds; and
- (2) Manage the day-to-day coordination for the pesticide subsidy program.

The pesticide subsidy program manager shall receive a salary of not more than \$50,000 per year.

~~[(g)]~~ (h) Not later than twenty days prior to the convening of the regular session of 2019, the department shall submit a report of its findings and recommendations, including any proposed legislation, to the legislature on the results of the subsidy program and whether the program should be allowed to expire or be extended, and if extended, with or without modification.

~~[(h)]~~ (i) Actions taken by the department pursuant to this section shall be exempt from the rulemaking requirements of section 91-3, Hawaii Revised Statutes."

SECTION 2. There is appropriated out of the pesticide use revolving fund the sum of \$75,000 or so much thereof as may be necessary for fiscal year

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2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 for the salary and fringe benefits of the pesticide subsidy program manager position established under this Act.

The sums appropriated shall be expended by the department of agriculture for the purposes of this Act.

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2015.

(Approved June 26, 2015.)

**ACT 153**

H.B. NO. 573

A Bill for an Act Relating to Hawaii Good Agricultural Practices.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that Hawaii's farms and farmers reflect the heritage and diversity of many cultures and are the cornerstones of the State's goals for food security, sustainability, and self-sufficiency. The number of small farms in Hawaii has grown substantially during the last ten years, reflecting a shift in the agricultural landscape from plantations to smaller farms with diverse cropping and marketing systems that create new local food sources and increase employment. This trend necessitates the development and implementation of risk-reducing guidelines and a science-based Hawaii good agricultural practices program to decrease the potential for food product contamination on farms.

The legislature further finds that a Hawaii good agricultural practices program would cover all crops and farms and integrate risk-reducing practices, similar to the good agricultural practices of Georgia, Canada, Kenya, Thailand, and the United States Department of Agriculture Agricultural Marketing Service's harmonized audit, and support farm practices in a variety of areas. These areas include field management; proper hygiene; water quality for irrigation and produce rinse; agricultural chemicals; use of animal manure; pest and on-farm animal management; pesticide, fertilizer, and soil amendment use; packing-shed operations and maintenance; and product trackback.

The legislature additionally finds that the Food Safety Modernization Act of 2011 authorizes the Food and Drug Administration to develop science- and risk-based criteria for preventing food-borne illnesses and encourages states to establish similar criteria for the safe production, distribution, and consumer handling of food. However, due to economic thresholds in the legislation and other factors, relatively few farms in Hawaii will be under the authority of the Food Safety Modernization Act and the earliest any oversight will appear, beginning with a dozen of Hawaii's largest farms, will be the middle of 2017. Thereafter, other farms will come into compliance. The national focus, however, will be on bigger agricultural states such as California, Oregon, and Michigan. Even when the Food Safety Modernization Act produce rule takes effect, the rule will not cover the range of important actions that are covered under a good agricultural practices program.

The legislature also finds that the Hawaii State Constitution mandates the preservation and protection of agricultural resources. To fulfill this mandate with safe food in mind, it is important that the State establish a permanent good agricultural practices program within the department of agriculture. Currently,

the department has auditors trained in good agricultural practices. Besides auditing farms at their request for compliance with good agricultural practices, the department of agriculture also performs egg, seed, and coffee inspections. The department of agriculture has a successful history of agricultural oversight, which is in its operational mandate.

The purpose of this Act is to develop and support good agricultural practices by establishing a permanent Hawaii good agricultural practices program for farms growing local agricultural food products.

SECTION 2. Chapter 147, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§147- **Hawaii good agricultural practices program.** (a) There is established the Hawaii good agricultural practices program to be administered by the department of agriculture. The purpose of the program is to develop and support good agricultural practices for Hawaii farms growing agricultural food products.

(b) Notwithstanding any provision of law to the contrary, the Hawaii good agricultural practices program shall:

- (1) Develop science- and risk-based good agricultural practices that reasonably reduce the potential for on-farm food-borne illness and include, as appropriate, specific considerations and methodologies for farm sizes, practices, techniques, materials, and crops;
- (2) Develop and implement programs to educate and train Hawaii farmers to learn and implement good agricultural practices in a cost-effective and efficient manner;
- (3) Provide procedures for the voluntary verification of on-farm implementation of good agricultural practices and the subsequent issuance of state compliance certification; and
- (4) Develop a consumer information program for publication and broadcast to teach home practices for the treatment and handling of fresh and processed agricultural food products.

(c) The department shall consult as necessary with the department of health, the University of Hawaii college of tropical agriculture and human resources, and other state and federal agencies to develop and implement the Hawaii good agricultural practices program.

(d) The department may adopt rules under chapter 91 to facilitate the implementation of this section.”

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$300,000 or so much thereof as may be necessary for fiscal year 2015-2016 for the implementation of the Hawaii good agricultural practices program.

The sum appropriated shall be expended by the department of agriculture for the purposes of this Act.

SECTION 4. New statutory material is underscored.<sup>1</sup>

SECTION 5. This Act shall take effect on July 1, 2015.

(Approved June 26, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.



A Bill for an Act Relating to Irrigation.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Reliable irrigation systems are the lifelines of Hawaii's agricultural industry. To ensure that Hawaii's agricultural crops receive a steady and dependable supply of water, sufficient funding is needed to maintain and improve Hawaii's irrigation systems. Increasing and extended water droughts have highlighted the need for the repair and maintenance of the irrigation systems in the State.

The purpose of this Act is to appropriate moneys for maintenance and improvements to the Peekauai ditch irrigation system located on the island of Kauai.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$10,000 or so much thereof as may be necessary for fiscal year 2015-2016 for the purpose of maintenance and improvements to the Peekauai ditch irrigation system located on the island of Kauai, also known as Menehune ditch, and all appurtenances.

The sum appropriated shall be expended by the department of agriculture for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2015.

(Approved June 26, 2015.)

A Bill for an Act Relating to Agricultural Loans.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Hawaii's livestock industry is both economically and culturally significant with its long paniolo history, as well as providing whole hog carcasses for imus and Chinatown markets. Livestock operations are susceptible to the introduction of pests and diseases that can affect the health and welfare of the animals and in some cases may affect the health and well-being of people who come in contact with the animals or farm products.

Installing biosecurity measures serves to protect the health of poultry and livestock by reducing the introduction of diseases, pests, and pathogens into farm operations, as well as reducing the spread of the diseases or pathogens to other farms. Biosecurity measures are increasingly being required by federal programs to ensure a safe food supply. While these measures help protect the farm and consumers, they often do not result in additional profits for the operation.

The purpose of this Act is to assist the livestock industry by establishing a low interest biosecurity loan program to help install these vital measures.

SECTION 2. Section 155-1, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

“Biosecurity” means a system that serves to protect the health of livestock, poultry, and humans from diseases, pests, and pathogens and measures

that prevent disease causing agents from entering, spreading, or leaving the farm premises."

SECTION 3. Section 155-5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Loans insured under this section shall be limited by the provisions of sections 155-9 through 155-13 for purposes of class "A" through class [~~"F";~~] "I"; provided that class "E" loans to food manufacturers shall not be subject to section 155-10."

SECTION 4. Section 155-5.5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Loans guaranteed under this section shall be limited by the provisions of sections 155-9 through 155-13 for purposes of classes "A", "B", "C", [~~and "E";~~] "D", "E", "F", "G", "H", and "I"; provided that class "E" loans to food manufacturers shall not be subject to section 155-10. [~~No class "D" and "F" loans shall be made under this section.~~]"

SECTION 5. Section 155-6, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Participating loans under this section shall be limited by sections 155-9 to 155-13 for purposes of class "A" through class [~~"F";~~] "I", the department's share not to exceed the maximum amounts specified therefor; provided that class "E" loans to food manufacturers shall not be subject to section 155-10."

SECTION 6. Section 155-8, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) Loans made under this section shall bear simple interest on the unpaid principal balance, charged on the actual amount disbursed to the borrower. The interest rate on loans of class "A", "B", "C", "E", and "G" shall be at a rate of one per cent below the prime rate or at a rate of seven and one-half per cent a year, whichever is less. For purposes of this subsection, the prime rate shall be determined on January 1 and July 1 of each year, and shall be the prime rate charged by the two largest banks in the State identified by the department of commerce and consumer affairs. If the prime rates of the two largest banks are different, the lower prime rate of the two shall apply. The interest rate of class "F" loans shall be at a rate of one and one-half per cent below the prime rate or at a rate of six per cent a year, whichever is less. The interest rate of class "H" and "I" loans shall be three per cent a year. If the money loaned is borrowed by the department, then the interest on loans of the classes shall be the rate as determined above or one per cent over the cost to the State of borrowing the money, whichever is greater. Interest on loans made under this chapter shall not be less than three per cent a year."

SECTION 7. Section 155-9, Hawaii Revised Statutes, is amended to read as follows:

**"§155-9 Classes of loans; purposes, terms, eligibility.** (a) Loans made under this chapter shall be for the purposes and in accordance with the terms specified in classes "A" through [~~"H";~~] "I" in this section and shall be made only to applicants who meet the eligibility requirements specified therein and except as to class "B" loans to associations and class "E" loans, the eligibility requirements specified in section 155-10. The maximum amount of a loan for class "A",

“C”, “D”, and “F” loans to an individual applicant shall also apply to any loan application submitted by a partnership, corporation, or other entity, and for the purpose of determining whether the maximum loan amount to any individual will be exceeded, outstanding loans to any partnership, corporation, or other entity that the individual has a legal or equitable interest in excess of twenty per cent shall be taken into account.

(b) Class A: Farm ownership and improvement loans shall provide for:

- (1) The purchase or improvement of farm land;
- (2) The purchase, construction, or improvement of adequate farm dwellings, and other essential farm buildings; and
- (3) The liquidation of indebtedness incurred for any of the foregoing purposes.

The loans shall be for an amount not to exceed \$800,000 and for a term not to exceed forty years. To be eligible, the applicant shall (A) derive, or present an acceptable plan to derive, a major portion of the applicant's income from and devote, or intend to devote, most of the applicant's time to farming operations; and (B) have or be able to obtain the operating capital, including livestock and equipment, needed to successfully operate the applicant's farm.

(c) Class B: Soil and water conservation loans shall provide for:

- (1) Soil conservation practices;
- (2) Water development, conservation, and use;
- (3) Drainage; and
- (4) The liquidation of indebtedness incurred for any of the foregoing purposes.

The loans shall be for an amount not to exceed \$35,000 to an individual or \$200,000 to an association and shall be for a term not to exceed twenty years for a loan to an individual and forty years to an association. To be eligible, an individual applicant shall have sufficient farm and other income to pay for farm operating and living expenses and to meet payments on applicant's existing debts, including the proposed soil and water conservation loan. An association, to be eligible, shall be a nonprofit organization primarily engaged in extending services directly related to the purposes of the loan to its members, and at least sixty per cent of its membership shall meet the eligibility requirements specified in section 155-10.

(d) Class C: Farm operating loans shall be for the purpose of carrying on and improving a farming operation, including:

- (1) The purchase of farm equipment and livestock;
- (2) The payment of production and marketing expenses, including materials, labor, and services;
- (3) The payment of living expenses;
- (4) The liquidation of indebtedness incurred for any of the foregoing purposes; and
- (5) The exportation of crops and livestock.

The loans shall be for an amount not to exceed \$800,000 and for a term not to exceed ten years. To be eligible, an applicant shall derive, or present an acceptable plan to derive, a major portion of the applicant's income from and devote, or intend to devote, most of the applicant's time to farming operations.

Qualified farmers affected by state eradication programs may also be eligible for loans under this subsection. Loans made for rehabilitation from eradication programs shall be subject to the terms of class “C” loans; provided that the interest rate shall be three per cent a year and the requirements in section 155-3 shall be waived and paragraph (4) shall not apply.

(e) Class D: Emergency loans shall be for the purpose of providing relief and rehabilitation to qualified farmers without limit as to purpose:

- (1) In areas stricken by extraordinary rainstorms, windstorms, droughts, tidal waves, earthquakes, volcanic eruptions, and other natural catastrophes;
- (2) On farms stricken by livestock disease epidemics and crop blights;
- (3) On farms seriously affected by prolonged shipping and dock strikes;
- (4) During economic emergencies caused by overproduction, excessive imports, and the like; and
- (5) During other emergencies as determined by the board of agriculture.

The maximum amounts and period for the loans shall be determined by the board of agriculture; provided that the board shall require that any settlement or moneys received by qualified farmers as a result of an emergency declared under this section shall first be applied to the repayment of an emergency loan made under this chapter.

(f) Class E: Loans to farmers' cooperatives, corporations, and food manufacturers shall provide credit to entities engaged in marketing, purchasing, and processing, and providing farm business services, including:

- (1) Facility loans to purchase or improve land, building, and equipment for an amount not to exceed \$500,000 and a term not to exceed twenty years;
- (2) Operating loans to finance inventories of supplies and materials, warehousing, and shipping commodities, extension of consumer credit to justified farmer-members, and other normal operating expenses for an amount not to exceed \$300,000 and a term not to exceed seven years; and
- (3) The exportation of crops and livestock.

To be eligible, a farmers' cooperative or corporation shall have a majority of its board of directors and a majority of its membership as shareholders who meet the eligibility requirements of section 155-10 and who devote most of their time to farming operations, and the facility loans shall be for an amount not to exceed \$500,000 or eighty per cent of the cost of the project, whichever is less.

To be eligible, a food manufacturer shall be licensed to do business in the State, and the controlling interest of the entity shall possess a minimum of two years of relevant processing or manufacturing experience as acceptable to the department of agriculture. The entity shall process Hawaii-grown agricultural products or use Hawaii-grown agricultural products as an ingredient in the manufacturing process. Facility loans shall be for an amount not to exceed \$500,000 or eighty per cent of the cost of the project, whichever is less. The requirements in section 155-10 shall be waived for food manufacturing loans; however, the entity shall be a sound credit risk with the ability to repay the money borrowed.

(g) Class F: New farmer and farm innovation loan programs shall provide for:

- (1) New farmer loans made under this class shall be for purposes and in accordance with the terms specified in class "A" and "C" only, and shall be made only for full-time farming. The loans shall be made for an amount not to exceed \$250,000 or eighty-five per cent of the cost of the project, whichever is less. Farm trainees and recent graduates with a degree in agriculture with smaller projects requiring loans of \$100,000 or less shall have a minimum five per cent equity contribution towards the cost of the project;
- (2) Farm innovation loans made under this class shall be for qualified farmers to perform practical research in crop development, innovative production techniques, new technologies, and production of new crops that are not typically grown in the State. Farm innovation loans shall be limited to a maximum of \$75,000;

- (3) Any subsequent loan shall be made from classes "A" to "D", respectively, depending upon the purpose for which the loan funds are used; and
- (4) Borrowers shall comply with special term loan agreements as may be required by the department and shall take special training courses as the department deems necessary.
- (h) Class G: Loans to part-time farmers shall be for farm improvement and operating purposes for carrying on and improving farming operations, including loans for:
  - (1) The purchase, construction, and improvement of farm production and growing structures;
  - (2) The purchase of farm equipment or livestock; and
  - (3) The payment of production and marketing expenses, including materials, labor, and services.

The liquidation of indebtedness incurred for any of the purposes under this subsection and for living expenses shall not be authorized purposes. Each loan shall be for an amount not to exceed \$25,000 and for a term not to exceed ten years.

- (i) Class H: Farm sustainable project loans shall provide for:
  - (1) The purchase, construction, or improvement of essential farm buildings, including the improvement of existing farm buildings related to the project;
  - (2) The improvement of land that may be required by the project;
  - (3) The purchase of equipment and payment of any related expenses, including materials, labor, and services;
  - (4) Operating expenses associated with the project; or
  - (5) The liquidation of indebtedness incurred for any of the foregoing purposes.

The loans shall be for an amount not to exceed \$1,500,000 or eighty-five per cent of the project cost, whichever is less, and for a term not to exceed forty years.

To be eligible, the applicant shall be a qualified farmer of sound credit rating with the ability to repay the money borrowed, as determined by the department. Income from the applicant's farming activities and any supplemental income that may be generated from the project shall be the sole criterion for the department's determination of the applicant's ability to repay the money borrowed. The department's determination may be based on projections of income and expenses.

- (j) Class I: Biosecurity project loans shall provide for:
  - (1) The purchase, construction, or improvement of essential farm buildings, including the improvement of existing farm buildings related to the project;
  - (2) The improvement of land that may be required by the project;
  - (3) The purchase of equipment and payment of any related expenses, including materials, labor, signage, training, and services;
  - (4) Operating expenses associated with the project; or
  - (5) The liquidation of indebtedness incurred for any of the foregoing purposes.

The loans shall be for an amount not to exceed \$1,000,000 or eighty-five per cent of the project cost, whichever is less, and for a term not to exceed twenty-five years.

To be eligible, the applicant shall be a qualified farmer of sound credit rating with the ability to repay the money borrowed, as determined by the department. Income from the applicant's farming activities and any supplemental

income that may be generated from the project shall be the sole criterion for the department's determination of the applicant's ability to repay the money borrowed. The department's determination may be based on projections of income and expenses."

SECTION 8. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 9. This Act shall take effect on July 1, 2015.

(Approved June 26, 2015.)

**Note**

1. Prior to amendment "on" appeared here.

**ACT 156**

H.B. NO. 277

A Bill for an Act Relating to Infrastructure.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 46-80.1, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Any county having a charter may enact an ordinance, and may amend the same from time to time, providing for the creation of community facilities districts to finance special improvements in the county. The special improvements may be provided and financed under the ordinance. The county shall have the power to levy and assess a special tax on property located in a district to finance the special improvements and to pay the debt service on any bonds issued to finance the special improvements. The county may issue and sell bonds to provide funds for the special improvements~~[-]; or, if requested by the county, the State may issue and sell revenue bonds under section 201H-72.~~ Bonds issued to provide funds for the special improvements may be either: bonds secured only by the properties included in the district and/or the special taxes thereon, or bonds payable from general taxes and/or secured by the general taxing power of the county. If the bonds are secured only by the properties included in the district and/or the special taxes thereon, the bonds shall be issued according and subject to the provisions of the ordinance. If the bonds are payable from general taxes or secured by the general taxing power, the bonds shall be issued according and subject to chapter 47."

SECTION 2. Section 201H-72, Hawaii Revised Statutes, is amended to read as follows:

**"§201H-72 Issuance of bonds for the development of infrastructure.** Without limiting section 201H-71, the corporation, pursuant to and in accordance with this subpart~~[-]~~ or section 46-80.1(a), is authorized to issue bonds for the purpose of financing the development of infrastructure for land owned by the corporation or for land owned by an eligible developer as defined in section 201H-32 whose housing project approval by a state or county agency requires the construction of affordable housing."

**ACT 157**

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2015.

(Approved June 26, 2015.)

**ACT 157**

H.B. NO. 775

A Bill for an Act Relating to Education.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that there is a growing trend in education of international study and educational travel. Hawaii's unique history, optimal geographic placement between the United States and Asia, and globally ranked programs of higher education have all served as factors in establishing Hawaii in the forefront of choice destinations for international students. The legislature further finds that increased recruitment strategies and carefully structured future programs encouraging international students to attend school in Hawaii are necessary to keep Hawaii's reputation as a place of beauty and education.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$250,000 or so much thereof as may be necessary for fiscal year 2015-2016 for marketing, travel, and other related recruitment expenses necessary to market Hawaii and Hawaii's institutions of higher education to international students.

The sum appropriated shall be expended by the department of business, economic development, and tourism for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2015.

(Approved June 26, 2015.)

**ACT 158**

H.B. NO. 1090

A Bill for an Act Relating to Employment Agreements.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that restrictive employment covenants impede the development of technology businesses within the State by driving skilled workers to other jurisdictions and by requiring local technology businesses to solicit skilled workers from out of the State. Eliminating restrictive covenants for employees of technology businesses will stimulate Hawaii's economy by preserving and providing jobs for employees in this sector and by providing opportunities for those technology employees to establish new technology companies and new job opportunities in the State.

A restrictive covenant not to compete with a former employer imposes a special hardship on employees of technology businesses as these highly specialized professionals are trained to perform specific jobs in the industry. Because the geographic area of Hawaii is unique and limited, noncompete agreements

unduly restrict future employment opportunities for technology workers and have a chilling effect on the creation of new technology businesses within the State by innovative employees.

Hawaii has a strong public policy to promote the growth of new businesses in the economy, and academic studies have concluded that embracing employee mobility is a superior strategy for nurturing an innovation-based economy. In contrast, a noncompete atmosphere hinders innovation, creates a restrictive work environment for technology employees in the State, and forces spin-offs of existing technology companies to choose places other than Hawaii to establish their businesses.

In *Technicolor, Inc v. Traeger*, 57 Haw. 113, 551 P.2d 163 (1976), the Hawaii supreme court ruled that noncompete covenants and agreements that are not per se violations under section 480-4(b), Hawaii Revised Statutes, may be enforced in Hawaii as long as they pass a reasonableness analysis. Employer trade secrets are already protected under the federal Uniform Trade Secrets Act and under section 480-4(c)(4), Hawaii Revised Statutes; therefore, the benefits to the employer from noncompete or nonsolicit agreements are duplicative and overreaching protections that may unreasonably impose undue hardship upon employees of technology businesses and the Hawaii economy.

The purpose of this Act is to stimulate Hawaii's economy by prohibiting noncompete agreements and restrictive covenants that forbid post-employment competition for employees of technology businesses.

SECTION 2. Section 480-4, Hawaii Revised Statutes, is amended to read as follows:

**“§480-4 Combinations in restraint of trade, price-fixing and limitation of production prohibited.** (a) Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce in the State, or in any section of this State is illegal.

(b) Without limiting the generality of ~~[the foregoing]~~ subsection (a), no person, exclusive of members of a single business entity consisting of a sole proprietorship, partnership, trust, or corporation, shall agree, combine, or conspire with any other person or persons, or enter into, become a member of, or participate in, any understanding, arrangement, pool, or trust, to do, directly or indirectly, any of the following acts, in the State or any section of the State:

- (1) Fix, control, or maintain~~;~~ the price of any commodity;
- (2) Limit, control, or discontinue, the production, manufacture, or sale of any commodity for the purpose or with the result of fixing, controlling or maintaining its price;
- (3) Fix, control, or maintain, any standard of quality of any commodity for the purpose or with the result of fixing, controlling, or maintaining its price;
- (4) Refuse to deal with any other person or persons for the purpose of effecting any of the acts described in paragraphs (1) to (3) ~~[of this subsection]~~.

(c) Notwithstanding ~~[the foregoing]~~ subsection (b) and without limiting the application of ~~[the foregoing]~~ subsection (a), it shall be lawful for a person to enter into any of the following restrictive covenants or agreements ancillary to a legitimate purpose not violative of this chapter, unless the effect thereof may be substantially to lessen competition or to tend to create a monopoly in any line of commerce in any section of the State:



- (1) A covenant or agreement by the transferor of a business not to compete within a reasonable area and within a reasonable period of time in connection with the sale of the business;
- (2) A covenant or agreement between partners not to compete with the partnership within a reasonable area and for a reasonable period of time upon the withdrawal of a partner from the partnership;
- (3) A covenant or agreement of the lessee to be restricted in the use of the leased premises to certain business or agricultural uses, or covenant or agreement of the lessee to be restricted in the use of the leased premises to certain business uses and of the lessor to be restricted in the use of premises reasonably proximate to any such leased premises to certain business uses;
- (4) A covenant or agreement by an employee or agent not to use the trade secrets of the employer or principal in competition with the employee's or agent's employer or principal, during the term of the agency or thereafter, or after the termination of employment, within such time as may be reasonably necessary for the protection of the employer or principal, without imposing undue hardship on the employee or agent.

(d) Except as provided in subsection (c)(4), it shall be prohibited to include a noncompete clause or a nonsolicit clause in any employment contract relating to an employee of a technology business. The clause shall be void and of no force and effect.

As used in this subsection:

"Information technology development" means the design, integration, deployment, or support services for software.

"Noncompete clause" means a clause in an employment contract that prohibits an employee from working in a specific geographic area for a specific period of time after leaving employment with the employer.

"Nonsolicit clause" means a clause in an employment contract that prohibits an employee from soliciting employees of the employer after leaving employment with the employer.

"Software development" means the creation of coded computer instructions.

"Technology business" means a trade or business that derives the majority of its gross income from the sale or license of products or services resulting from its software development or information technology development, or both. A "technology business" excludes any trade or business that is considered by standard practice as part of the broadcast industry or any telecommunications carrier, as defined in section 269-1, that holds a franchise or charter enacted or granted by the legislative or executive authority of the State or its predecessor governments."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 5. This Act shall take effect on July 1, 2015.

(Approved June 26, 2015.)

## ACT 159

H.B. NO. 1513

A Bill for an Act Relating to Energy.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that imported oil supplies over ninety per cent of Hawaii's energy. This dependence on oil threatens Hawaii's land, air, and water, places the economy's security at risk, and is not sustainable. As a result, the State of Hawaii adopted the clean energy initiative to achieve seventy per cent clean energy by the year 2030. This clean energy initiative is rooted in the principle of maximizing cost effective investments in clean energy production and management to promote Hawaii's energy security. Along with reducing the dependency on fossil fuels and increasing efficiency measures, the clean energy plan contributes to the State's economic growth.

The legislature further finds that there are growing numbers of local Hawaii-based companies conducting research and development in clean energy technologies. Utilizing Hawaii's diverse renewable energy sources of solar, wind, hydroelectricity, bioenergy, and geothermal, these companies are showing the world, with their proven track record, that Hawaii is an ideal laboratory for the development of clean energy technologies. Many of these local research and development companies have also obtained federal funding to develop clean and alternative energy research and have created high-paying, high-skilled jobs.

The legislature also finds that it is important to Hawaii's future to support and strengthen these local companies to ensure continued research and development and support Hawaii's economy. For economic growth and diversification, it is in Hawaii's best interest to take important steps to encourage high-impact, clean energy solutions that encourage innovative economic development.

The purpose of this Act is to establish a matching grant program, similar to the small business innovation research grant program administered by the high technology development corporation, to further strengthen and support Hawaii's local companies that are conducting renewable energy research and development through existing contracts with the principal research division of the United States Department of Defense, Office of Naval Research.

SECTION 2. (a) There is established within the department of business, economic development, and tourism, a two-year alternative energy research and development pilot program to provide grants to qualified businesses conducting research and development in alternative energy. The purpose of the pilot program shall be to promote the research and development of alternative energy in Hawaii by authorizing the high technology development corporation to provide matching grants to businesses that meet criteria established in subsection (b).

(b) Subject to the availability of funds, the high technology development corporation may provide a grant to any business that:

- (1) Has been awarded a competitive contract from the Department of Defense Office of Naval Research related to the research of alternative energy and energy efficiency technologies in the fields of geothermal, solar, wind, ocean power, hydrodynamics, bioenergy, biomass, solid waste, smart grids, transportation, or demand response;
- (2) Is sixty per cent or more resident-owned. For purposes of this paragraph, "resident" shall have the same meaning as defined in section 235-1, Hawaii Revised Statutes;
- (3) Is a for-profit entity organized under the laws of the State;
- (4) Has been doing business in the State for not less than one year;

- (5) Agrees to expend all grant funds, awarded pursuant to this Act, in the State; and
- (6) Conducts research in alternative energy that has a high technology readiness level or high potential for implementation as evidenced by a contract, funded by moneys designated by the United States Congress as funding for alternative energy and a national defense budget funding directive, with the Department of Defense Office of Naval Research that is existing and active or was granted within three years prior to the effective date of this Act;

provided that the amount of any grant awarded pursuant to this Act shall not exceed fifty per cent of the amount of the grant awarded to the business by the Department of Defense Office of Naval Research; provided further that the business shall not be eligible for a grant pursuant to this section if the business has obtained any other state grant for the same research, other than the grant awarded to the business by the Department of Defense Office of Naval Research, at the time of or during the duration of the alternative energy research and development pilot program grant.

(c) The alternative energy research and development pilot program shall cease to exist on June 30, 2017.

(d) The department of business, economic development, and tourism shall adopt rules, pursuant to chapter 91, Hawaii Revised Statutes, necessary for the purposes of implementing the alternative energy research and development pilot program.

SECTION 3. There is established the alternative energy research and development revolving fund for the purpose of promoting alternative energy research and development in Hawaii.

The alternative energy research and development revolving fund shall be abolished on June 30, 2017, and all unencumbered balances shall lapse to the credit of the general fund.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 to be deposited into the alternative energy research and development revolving fund.

SECTION 5. There is appropriated out of the alternative energy research and development revolving fund the sum of \$1,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 for the purpose of providing grants pursuant to this Act.

The sums appropriated shall be expended by the high technology development corporation.

SECTION 6. This Act shall take effect on July 1, 2015.

(Approved June 26, 2015.)

**ACT 160**

S.B. NO. 1361

A Bill for an Act Relating to Budgeting.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to address the executive and judiciary budgets.

More specifically, this Act:

- (1) Requires the executive budget and related documents to identify the position ceiling for each budget program;
- (2) Requires the position ceiling to separately identify the maximum numbers of permanent and temporary full-time equivalent positions authorized; and
- (3) Prohibits an agency from exceeding the position ceiling, with certain exceptions.

The legislature intends that this Act also apply to the judiciary budget by operation of section 601-2, Hawaii Revised Statutes.

This Act applies to budget documents submitted to the legislature after July 1, 2016. The legislature has instituted the delay so that the information technology system for the budget may be upgraded to accommodate the implementation of this Act.

SECTION 2. Chapter 37, Hawaii Revised Statutes, is amended by adding a new section to part IV to be appropriately designated and to read as follows:

**“§37- Position ceiling.** Whenever this part requires a position ceiling to be specified:

- (1) The number of permanent positions and temporary positions shall be separately identified; and
- (2) The position ceiling shall be expressed in units or fractions of full-time equivalent positions.”

SECTION 3. Chapter 76, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§76- Special, research, or demonstration project positions.** Notwithstanding any law to the contrary, with the approval of the governor, the head of a department may establish and abolish any subordinate position for an employee engaged in a special, research, or demonstration project that is approved by the governor, subject to the limitations of available appropriations.”

SECTION 4. Section 37-62, Hawaii Revised Statutes, is amended by adding seven new definitions to be appropriately inserted and to read as follows:

“Casual hire position” means an hourly-paid temporary position, the services of which are required intermittently.

“Full-time equivalent position” means a position, the occupant of which is employed for a normal work week of at least forty hours or its equivalent.

“Permanent position” means a position, the existence of which has no time limitation.

“Position” means a specific job, whether occupied or vacant, consisting of all duties and responsibilities assigned or delegated by competent authority, requiring the full or part-time employment of one person.

“Position ceiling” means the maximum number of permanent and temporary full-time equivalent positions that an expending agency is authorized for a particular program.

“Temporary position” means a position, the existence of which has a time limitation, or a position that is not otherwise a permanent position.

“Vicing position” means a temporary position created to back-fill for an incumbent who is on an extended period of authorized leave of absence.”

SECTION 5. Section 37-69, Hawaii Revised Statutes, is amended by amending subsections (c) and (d) to read as follows:

“(c) The financial plan for the ensuing six fiscal years shall more specifically include:

- (1) Economic data for the State and the counties of the following kinds:
  - (A) Population: Including historical, current, and projected population count; population distribution by age and sex; estimated increases and decreases, including increases and decreases by immigration;
  - (B) Employment: Including magnitude of labor force by age and sex; labor force participation rates; employment by age and sex; industry and occupational surpluses and shortages; effects of government programs on employment rate;
  - (C) Income: Including per capita and per family income; disposable income; income distribution;
  - (D) Wages and prices: Including wages by industry and occupational groups; prices for government procurement items; construction costs; cost of living index; price indices for components of personal consumption;
  - (E) Industry and business trends; and
  - (F) Effects of national economic and financial policies and conditions;
- (2) Brief statements disclosing the basis upon which the revenue estimates in the plan were made, including for each specific tax and nontax revenue source:
  - (A) The previous projections for the last completed fiscal year and the fiscal year in progress;
  - (B) The variance between the projections and the actual or revised estimate, and the reasons for the variances;
  - (C) Tax or source base and rates;
  - (D) Yield projections of existing revenue sources and existing taxes at authorized rates;
  - (E) Assumptions made and methodology used in projections;
  - (F) Changes recommended; and
  - (G) Projected yields if changes are adopted, etc.;
- (3) At the lowest level on the state program structure, for each program:
  - (A) The total actual program cost for the last completed fiscal year, the estimated cost for the fiscal year in progress, and the estimated cost for each of the next six fiscal years; research and development, operating, and capital costs shall be included and the means of financing shall be identified. The ~~number of personnel positions~~ position ceiling and all lease payments shall be shown for the program, identified by their means of financing;
  - (B) The program size indicators; the actual size attained in the last completed fiscal year, the estimated size for the fiscal year in progress, and the estimated size for each of the next six fiscal years; and
  - (C) The effectiveness measures; the actual level of effectiveness attained in the last completed fiscal year, the estimated level of effectiveness for the fiscal year in progress, and the estimated level for each of the next six fiscal years;
- (4) Appropriate displays of paragraph (3)(A) and (C), at every level of the state program structure above the lowest level, by the major

groupings of programs encompassed within the level. The displays of ~~[[paragraph]]~~ (3)(A) shall appropriately identify the means of financing and ~~[the number of positions]~~ position ceiling included in the level;

- (5) Financial summaries displaying the State's financial condition, actual for the last completed fiscal year, and estimated for the fiscal year in progress and each of the next six fiscal years, including:
  - (A) A display of the programmed, total state expenditures, by cost categories, the total state resources anticipated from existing tax and nontax sources at existing rates, by resource categories, including the fund balance or deficit at the beginning of the fiscal year and bond receipts, and the resulting fund balance or deficit at the close of each fiscal year. Lease payments in each cost category shall be stated separately; and
  - (B) The changes proposed to the existing tax and nontax rates, sources or structure, and the estimated increases or reductions in revenues, the estimated cumulative increases or reductions, and the estimated fund balance or deficit in each of the next six fiscal years as a result of such proposed changes. Proposals for changes in the existing tax and nontax rates, sources or structure shall be made in every case where the proposed, total state expenditures exceed the total resources anticipated from existing tax and nontax sources at existing rates.

~~[Such]~~ The financial summaries shall be prepared for the total state expenditures and resources and for the general fund and special fund portions thereof;
- (6) A summary of the balance of each special fund, actual for the last completed fiscal year and estimated for the fiscal year in progress and estimated for each of the next six fiscal years;
- (7) A summary of the State's total bond fund required to carry out the recommended programs and the kinds of bonds and amounts thereof through which the requirements were met in the last completed fiscal year, are to be met in the fiscal year in progress, and are proposed to be met in each of the next six fiscal years. The summary shall detail, for each fiscal year:
  - (A) Of the total bond fund requirements, the amount, by cost categories, requiring new bond issuance authorization and the kinds and amounts of bonds planned for issuance under ~~[such]~~ the new authorizations;
  - (B) By bond categories, the total, cumulative balance of bonds authorized in prior years but unissued and the amount thereof proposed to be issued; and
  - (C) A recapitulation of the total bonds to be issued, including both new authorizations and prior authorizations, by bond categories;
- (8) Separately for general fund tax revenues, special fund tax revenues, general fund nontax revenues, and special fund nontax revenues:
  - (A) By kinds of taxes or sources, the amount of revenue from existing, authorized taxes or sources at existing rates received in the last completed fiscal year and estimated to be received in the fiscal year in progress and in each of the next six fiscal years;
  - (B) A summary of the proposed changes in the existing taxes or sources or rates, and the estimated increases or reductions in

- revenues in each of the next six fiscal years resulting from such changes; and
- (C) The total estimated revenues with and without the proposed changes in each of the next six fiscal years; and
- (9) A summary of the State's total payments due under financing agreements required to carry out the recommended programs and the kinds of financing agreements and amounts thereof through which the requirements were met in the last completed fiscal year, are to be met in the fiscal year in progress, and are proposed to be met in each of the next six fiscal years. The summary shall detail, for each fiscal year:
- (A) Of the total financing agreement requirements, the amount, by cost categories, requiring new financing agreement authorizations and the kinds and amounts of financing agreements planned for execution and delivery under [such] the new authorizations;
- (B) By cost category, the cumulative balance of financing agreements authorized in prior years but not executed and delivered and the amount proposed to be executed and delivered; and
- (C) A recapitulation of the total financing agreements to be executed and delivered, including both new authorizations and prior authorizations, by cost categories.
- (d) The program plans for the ensuing six fiscal years shall more specifically include:
- (1) At the lowest level on the state program structure, for each program:
- (A) A statement of its objectives;
- (B) Measures by which the effectiveness in attaining the objectives is to be assessed;
- (C) The level of effectiveness planned for each of the ensuing six fiscal years;
- (D) A brief description of the activities encompassed;
- (E) The program size indicators;
- (F) The program size planned for each of the next six fiscal years;
- (G) A narrative explanation of the plans for the program. It shall contain, and in general be limited to, the following:
- (i) A description of the kinds of activities carried out or unusual technologies employed;
- (ii) A statement of key policies pursued;
- (iii) Identification of important program or organizational relationships involved;
- (iv) A description of major external trends affecting the program;
- (v) A discussion of significant discrepancies between previously planned cost, effectiveness, and program size levels and those actually achieved;
- (vi) Comments on, and an interpretation of, cost, effectiveness, and program size data over the upcoming budget period, with special attention devoted to changes from the current budget period;
- (vii) Comments on, and an interpretation of, cost, effectiveness, and program size data over the four years of the planning period and how they relate to the corresponding data for the budget period; and

- (viii) A summary of the special analytic study, program evaluation, or other analytic report supporting a substantial change in the program where such a major program change recommendation has been made;
- (H) The full cost implications of the recommended programs, by cost categories and cost elements, actually experienced in the last completed fiscal year, estimated for the fiscal year in progress, and estimated for each of the next six fiscal years. The means of financing shall be identified for each cost category. The personal services cost element and the lease payments cost element shall be shown separately; the cost elements of other current expenses, equipment, and motor vehicles may be combined. The ~~number of positions included in~~ position ceiling for the program shall be appropriately identified by means of financing;
- (I) A recapitulation of subparagraph (H) for the last completed fiscal year, the fiscal year in progress and each of the next six fiscal years, by means of financing grouped under each cost category. The ~~number of positions included in~~ position ceiling for any program shall be appropriately identified;
- (J) An identification of the revenues generated in the last completed fiscal year and estimated to be generated in the fiscal year in progress and in each of the next six fiscal years, and the fund into which ~~such~~ the revenues are deposited;
- (K) Details of implementation of each capital improvement project included in the total program cost, including:
  - (i) A description of the project, location, and scope;
  - (ii) The initially estimated, currently estimated, and final cost of the project, by investment cost elements and by means of financing;
  - (iii) The amounts previously appropriated by the legislature for the project, by cost elements and by means of financing specified in the acts appropriating the sums, and an identification of the acts so appropriating;
  - (iv) The costs incurred in the last completed fiscal year and the estimated costs to be incurred in the fiscal year in progress and in each of the next six fiscal years, by cost elements and by means of financing; and
  - (v) A commencement and completion schedule, by month and year, of the various phases of the capital improvement project (i.e., land acquisition, design, construction, and occupancy) as originally intended, as currently estimated, and as actually experienced; and
- (L) A crosswalk of the program expenditures, by cost categories and cost elements between the program and expending agencies for the next two fiscal years. The means of financing ~~and the number of positions included in~~ for the program costs to be expended by, and position ceiling for, each agency shall be specified; and
- (2) Appropriate displays at every level of the state program structure above the lowest level. The displays shall include:
  - (A) A listing of all major groupings of programs included within the level, together with the objectives, measures of effectiveness, and planned levels of effectiveness for each of the ensu-



- ing six fiscal years for each ~~such~~ of the major groupings of programs; and
- (B) A summary of the total cost of each cost category by the major groupings of programs encompassed within the level, actual for the last completed fiscal year and estimated for the fiscal year in progress and for each of the next six fiscal years.”

SECTION 6. Section 37-71, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) The display of financial requirements for the ensuing two fiscal years shall more specifically include:

- (1) At the lowest level on the state program structure, for each program:
- (A) The total recommended expenditures, including research and development, capital and operating costs, by cost categories and cost elements for the ensuing biennium; the planned allocation of the total biennial request, by cost categories, and cost elements, between the two fiscal years of the biennium. The means of financing and ~~the number of positions~~ position ceiling included in any cost category amount shall be appropriately identified;
- (B) A summary showing means of financing the total recommended expenditures, those amounts requiring and those amounts not requiring legislative appropriation or authorization for spending in each fiscal year of the biennium;
- (C) A crosswalk of the total proposed biennial expenditures between the program and expending agencies. The means of financing ~~the number of positions~~, position ceiling, and the lease payments included in any cost amount, and the net amount requiring appropriation or authorization shall be appropriately identified for each expending agency; and
- (D) The proposed changes in the levels of expenditures, by cost categories, between the biennium in progress and the ensuing biennium, together with a brief explanation of the major reasons for each change. The reasons shall include, as appropriate, the following:
- (i) Salary adjustments to existing positions of personnel;
  - (ii) The addition or deletion of positions[;] to or from the position ceiling;
  - (iii) Changes in the number of persons being served or to be served by the program;
  - (iv) Changes in the program implementation schedule;
  - (v) Changes in the actual or planned level of program effectiveness;
  - (vi) Increases due to the establishment of a program not previously included in the State’s program structure;
  - (vii) Decreases due to the phasing out of a program previously included in the State’s program structure; and
  - (viii) Changes in the purchase price of goods or services;

As appropriate, references to the program and financial plan shall be noted for an explanation of the changes. Notwithstanding the provisions of subsection (b)(5), the proposed changes in the levels of expenditures may be shown to the nearest thousand dollars;

- (2) Appropriate summaries of paragraph (1)(A) and (C) immediately above at every level of the state program structure above the lowest

level. [Such] The summaries shall be by the major groupings of programs encompassed within the level. The summaries of paragraph (1)(A) shall identify the means of financing [~~and the number of positions~~], position ceiling, and [the] lease payments included in any cost category amount; and

- (3) A summary listing of all capital improvement projects included in the proposed capital investment costs for the ensuing biennium. The listing shall be by programs at the lowest level of the state program structure and shall show for each project, by investment cost elements:
- (A) The cost of the project;
  - (B) The amount of funds previously appropriated and authorized by the legislature; and
  - (C) The amount of new appropriations and authorizations proposed in each of the two fiscal years of the ensuing biennium and in each of the succeeding four years. The amount of the new appropriations and authorizations proposed shall constitute the proposed new requests for the project in each of the fiscal bienniums.

In every instance, the means of financing shall be noted.”

SECTION 7. Section 37-74, Hawaii Revised Statutes, is amended to read as follows:

“**§37-74 Program execution.** (a) Except as limited by policy decisions of the governor, appropriations by the legislature, and other provisions of law, the several agencies responsible for administering state programs shall administer their program assignments and shall be responsible for their proper management.

(b) The appropriations by the legislature for a biennium shall be allocated between the two fiscal years of the biennium in the manner provided in the budget or appropriations act and as further prescribed by the director of finance. The amounts allocated for each fiscal year shall be subject to the allotment system prescribed in chapter 37, part II. Each agency (except the courts), in estimating its quarterly requirements under chapter 37, part II, shall prepare a plan for the fiscal year for the operation of each of the programs it is responsible for administering. The operations plan shall be in [such] a form and content as the department of budget and finance may prescribe. It shall be submitted, together with the estimated quarterly requirements, to the department of budget and finance on [such] a date as the department may prescribe.

(c) The department of budget and finance shall:

- (1) Review each operations plan to determine:
    - (A) That it is consistent with the policy decisions of the governor and appropriations by the legislature;
    - (B) That it reflects proper planning and efficient management methods; and
    - (C) That appropriations have been made for the planned purpose and will not be exhausted before the end of the fiscal year;
- provided that the department of budget and finance shall review the operations plan submitted by the University of Hawaii solely for consistency with the allotment ceilings established by the governor under section 37-34, appropriations by the legislature, the requirements of chapter 37D, and the status of revenues to support operations plans for all state programs;

- (2) Approve the operations plan if satisfied that it meets the requirements under paragraph (1). Otherwise, the department of budget and finance shall require revision of the operations plan in whole or in part; and
  - (3) Modify or withhold the planned expenditures at any time during the appropriation period if the department of budget and finance finds that the expenditures are greater than those necessary to execute the programs at the level authorized by the governor and the legislature, or that state receipts and surpluses will be insufficient to meet the authorized expenditure levels; provided that the planned expenditures for the University of Hawaii may be modified or withheld only in accordance with sections 37-36 and 37-37.
- (d) No appropriation transfers or changes between programs or agencies shall be made without legislative authorization; provided that:
- (1) Authorized transfers or changes, when made, shall be reported to the legislature;
  - (2) Except with respect to appropriations to fund financing agreements under chapter 37D, the University of Hawaii ~~[shall have the flexibility to]~~ may transfer appropriated funds and positions for the operating cost category among programs, among cost elements in a program, and between quarters, as applicable; except with respect to appropriations to fund financing agreements under chapter 37D, the department of education ~~[shall have the flexibility to]~~ may transfer appropriated funds and positions for the operating cost category among programs and among cost elements in a program, and between quarters, as applicable; and the Hawaii health systems corporation and its regional system boards ~~[shall have the flexibility to]~~ may transfer special fund appropriations among regional system hospital facilities as applicable and as mutually agreed to by the corporation and the respective regional system board; provided that the Hawaii health systems corporation and the regional system boards shall maintain the integrity and services of each individual regional system and shall not transfer appropriations out of any regional system that would result in a reduction of services offered by the regional system, with due regard for statutory requirements, changing conditions, the needs of the programs, and the effective utilization of resources; and
  - (3) The university and the department of education shall account for each transfer implemented under this subsection in quarterly reports to the governor and annual reports at the end of each fiscal year to the legislature and the governor, which shall be prepared in the form and manner prescribed by the governor and shall include information on the sources and uses of the transfer.
- (e) Effective July 1, 2017, no funds shall be expended to fill a permanent or temporary position for the lowest level of a program if the filling of that position causes the position ceiling for that level of the program to be exceeded; provided that this subsection shall not apply to a:
- (1) Position established by the University of Hawaii or the Hawaii health systems corporation;
  - (2) Position that is entirely federally funded;
  - (3) Position necessary for compliance, without undue delay, with a court order or decree if the director of human resources development determines that recruitment through normal civil service procedures would result in delay or noncompliance;

- (4) Position approved by the governor for a special, research, or demonstration project of an agency;
- (5) Position approved by the governor to perform an emergency management function under the department of defense pursuant to the authority of section 127A-12(b)(9);
- (6) Casual hire position;
- (7) Vicing position;
- (8) Position established by an agency pursuant to express statutory authorization to establish the position; and
- (9) Position established by an agency for a program or project funded by an appropriation in an act other than a general or supplemental appropriations act.”

SECTION 8. Section 37-75, Hawaii Revised Statutes, is amended to read as follows:

“§37-75 **Variance report.** Not fewer than thirty days prior to the convening of each regular session of the legislature, the governor shall submit to the legislature and to each member thereof a report on program performance for the last completed fiscal year and the fiscal year in progress. In format, the report generally shall follow the fiscal requirements portion of the executive budget or budgets. The report shall include:

- (1) At the lowest level of the program structure, for each program contained in the budget finally approved by the legislature for the last completed fiscal year and the fiscal year in progress:
  - (A) A comparison, by the operating and research and development cost categories, of the budgeted expenditures and the actual expenditures for the last completed fiscal year and the budgeted expenditures and the estimated expenditures for the fiscal year in progress;
  - (B) A comparison, for the operating and research and development cost categories, of the budgeted expenditures and ~~positions authorized~~ position ceiling and the actual expenditures and positions filled in the last completed fiscal year and a comparison of the budgeted expenditures and the ~~number of positions authorized~~ position ceiling for the fiscal year in progress and the actual expenditures and number of positions filled in the first three months of the fiscal year in progress and the estimated expenditures and number of positions expected to be filled in the remaining months of the fiscal year in progress;
  - (C) The program size indicators and a comparison of the program size anticipated and the size actually realized in the last completed fiscal year and the program size anticipated and the size estimated for the fiscal year in progress;
  - (D) The effectiveness measures and a comparison of the level of effectiveness anticipated and the level actually attained in the last completed fiscal year and the level of effectiveness anticipated and the level estimated for the fiscal year in progress; and
  - (E) A narrative explanation of the significant differences for the last completed fiscal year in each of the comparisons made in subparagraphs (A), (B), (C), and (D), including an explanation of the basis upon which the original estimates were made and the reasons why the estimates proved accurate or inaccurate,

and a statement of what the actual experience portends for the future of the program in terms of costs, size, and effectiveness; provided that expenditure amounts in the comparisons shall be shown to the nearest thousand dollars;

- (2) Appropriate summaries at each level of the state program structure for each major grouping of programs encompassed therein, showing:
  - (A) A comparison of the total budgeted expenditure and the total actual expenditure for the last completed fiscal year and the total budgeted expenditure and the total estimated expenditure for the fiscal year in progress; provided that the expenditure amounts shall be shown to the nearest thousand dollars;
  - (B) The effectiveness measures and a comparison of the level of effectiveness anticipated and the level actually attained in the last completed fiscal year and the level of effectiveness anticipated and the level estimated for the fiscal year in progress; and
  - (C) A narrative explanation summarizing the major reasons for the differences in the comparisons made for the last completed fiscal year in subparagraphs (A) and (B); and
- (3) A narrative explanation of the significant variations in capital improvement costs; provided that capital improvement project variances shall be referenced to the six-year program and financial plan, which shall contain the information specified in section 37-69(d)(1)(K)."

SECTION 9. Section 601-2, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The chief justice shall possess the following powers, subject to such rules as may be adopted by the supreme court:

- (1) To assign circuit judges from one circuit to another;
- (2) In a circuit court with more than one judge, (A) to make assignments of calendars among the circuit judges for such period as the chief justice may determine and, as deemed advisable from time to time, to change assignments of calendars or portions thereof (but not individual cases) from one judge to another, and (B) to appoint one of the judges, for [such] a period as the chief justice may determine, as the administrative judge to manage the business of the court, subject to the rules of the supreme court and the direction of the chief justice;
- (3) To prescribe for all of the courts a uniform system of keeping and periodically reporting statistics of their business;
- (4) To procure from all of the courts estimates for their appropriations; with the cooperation of the representatives of the court concerned to review and revise them as the chief justice deems necessary for equitable provisions for the various courts according to their needs and to present the estimates, as reviewed and revised by the chief justice, to the legislature as collectively constituting a unified budget for all of the courts;
- (5) To exercise exclusive authority over the preparation, explanation, and administration of the judiciary budget, programs, plans, and expenditures, including without limitation policies and practices of financial administration and the establishment of guidelines as to permissible expenditures, provided that all expenditures of the judiciary shall be in conformance with program appropriations and

provisions of the legislature, and all powers of administration over judiciary personnel that are specified in Title 7; and

- (6) To do all other acts ~~[which] that~~ may be necessary or appropriate for the administration of the judiciary.

<sup>1</sup>The budget, ~~supplemental budget~~, six-year program and financial plan, and the variance report of the judiciary shall be submitted by the chief justice to the legislature in accordance with the schedule of submission specified for the governor in chapter 37 and shall contain the program information prescribed in that chapter~~[-]~~ as applicable to the judiciary. By November 1 of each year preceding a legislative session in which a budget is to be submitted, the chief justice shall provide written notification to the governor of the proposed total expenditures, by cost categories and sources of funding, and estimated revenues of the judiciary for each fiscal year of the next fiscal biennium~~[-]~~ or fiscal year, as applicable."

SECTION 10. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>2</sup>

SECTION 11. This Act shall take effect on July 1, 2016, and shall apply to the six-year program and financial plans, budgets, supplemental budgets, and variance reports submitted to the legislature, beginning with the regular session of 2017; provided that section 3 shall take effect upon approval.

(Approved June 26, 2015.)

#### Notes

1. Prior to amendment "(c)" appeared here.
2. Edited pursuant to HRS §23G-16.5.

## ACT 161

S.B. NO. 717

A Bill for an Act Relating to Ethanol.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that in some states the mandated use of renewable fuels has created some economic benefit because those states are able to produce or cheaply import renewable fuels. However, despite dozens of biomass, biodiesel, and ethanol facilities that have been proposed for Hawaii, no ethanol plants currently exist in the State. Since 2006, Hawaii has required that gasoline sold in the State include ten per cent ethanol. This requirement of blending ethanol into Hawaii's gasoline does not produce any economic benefit for the State; further, the import of ethanol creates an economic burden for state residents.

The purpose of this Act is to repeal the requirement that gasoline for motor vehicles sold in the State include ten per cent ethanol.

SECTION 2. Section 486J-10, Hawaii Revised Statutes, is repealed.

SECTION 3. Statutory material to be repealed is bracketed and stricken.<sup>1</sup>

SECTION 4. This Act shall take effect on December 31, 2015.

(Approved June 26, 2015.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 162

H.B. NO. 73

A Bill for an Act Relating to State Bonds.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Declaration of findings with respect to the general obligation bonds authorized by this Act. Pursuant to the clause in Article VII, Section 13 of the State Constitution, which states: "Effective July 1, 1980, the legislature shall include a declaration of findings in every general law authorizing the issuance of general obligation bonds that the total amount of principal and interest, estimated for such bonds and for all bonds authorized and unissued and calculated for all bonds issued and outstanding, will not cause the debt limit to be exceeded at the time of issuance", the legislature finds and declares as follows:

- (1) Limitation on general obligation debt. The debt limit of the State is set forth in Article VII, Section 13 of the State Constitution, which states in part: "General obligation bonds may be issued by the State; provided that such bonds at the time of issuance would not cause the total amount of principal and interest payable in the current or any future fiscal year, whichever is higher, on such bonds and on all outstanding general obligation bonds to exceed: a sum equal to twenty per cent of the average of the general fund revenues of the State in the three fiscal years immediately preceding such issuance until June 30, 1982; and thereafter, a sum equal to eighteen and one-half per cent of the average of the general fund revenues of the State in the three fiscal years immediately preceding such issuance." Article VII, Section 13 of the State Constitution also provides that in determining the power of the State to issue general obligation bonds, certain bonds are excludable, including "reimbursable general obligation bonds issued for a public undertaking, improvement or system but only to the extent that reimbursements to the general fund are in fact made from the net revenue, or net user tax receipts, or combination of both, as determined for the immediately preceding fiscal year" and bonds constituting instruments of indebtedness under which the State incurs a contingent liability as a guarantor, but only to the extent the principal amount of those bonds does not exceed seven per cent of the principal amount of outstanding general obligation bonds not otherwise excluded under said Article VII, Section 13 of the State Constitution.
- (2) Actual and estimated debt limits. The limit on principal and interest of general obligation bonds issued by the State, actual for fiscal year 2014-2015 and estimated for each fiscal year from 2015-2016 to 2018-2019, is as follows:

<u>Fiscal Year</u>	<u>Net General Fund Revenues</u>	<u>Debt Limit</u>
2011-2012	\$5,648,800,650	
2012-2013	6,226,008,766	
2013-2014	6,088,589,303	

<u>Fiscal Year</u>	<u>Net General Fund Revenues</u>	<u>Debt Limit</u>
2014-2015	6,387,763,000	\$ 1,107,742,921
2015-2016	6,607,094,000	1,153,312,266
2016-2017	6,943,318,000	1,176,812,522
2017-2018	7,301,784,000	1,229,520,792
2018-2019	(not applicable)	1,285,885,420

For fiscal years 2014-2015, 2015-2016, 2016-2017, 2017-2018, and 2018-2019, respectively, the debt limit is derived by multiplying the average of the net general fund revenues for the three preceding fiscal years by eighteen and one-half per cent. The net general fund revenues for fiscal years 2011-2012, 2012-2013, and 2013-2014 are actual, as certified by the director of finance in the Statement of the Debt Limit of the State of Hawaii as of July 1, 2014, dated September 29, 2014. The net general fund revenues for fiscal years 2014-2015 to 2017-2018 are estimates, based on general fund revenue estimates made as of March 12, 2015, by the council on revenues, the body assigned by Article VII, Section 7 of the State Constitution to make such estimates, and based on estimates made by the department of budget and finance of those receipts that cannot be included as general fund revenues for the purpose of calculating the debt limit, all of which estimates the legislature finds to be reasonable.

- (3) Principal and interest on outstanding bonds applicable to the debt limit.
  - (A) According to the department of budget and finance, the total amount of principal and interest on outstanding general obligation bonds, after the exclusions permitted by Article VII, Section 13 of the State Constitution, for determining the power of the State to issue general obligation bonds within the debt limit as of April 1, 2015, is as follows for fiscal year 2015-2016 to fiscal year 2021-2022:

<u>Fiscal Year</u>	<u>Principal and Interest</u>
2015-2016	\$687,999,746
2016-2017	680,985,413
2017-2018	642,351,670
2018-2019	633,101,421
2019-2020	586,094,887
2020-2021	522,104,133
2021-2022	524,378,042

The department of budget and finance further reports that the amount of principal and interest on outstanding bonds applicable to the debt limit generally continues to decline each year from fiscal year 2022-2023 to fiscal year 2034-2035 when the final installment of \$53,083,719 shall be due and payable.

- (B) The department of budget and finance further reports that the outstanding principal amount of bonds constituting instruments of indebtedness under which the State may incur a contingent liability as a guarantor is \$233,500,000, all or part of which is excludable in determining the power of the State to issue general obligation bonds, pursuant to Article VII, Section 13 of the State Constitution.



- (4) Amount of authorized and unissued general obligation bonds and guaranties and proposed bonds and guaranties.
- (A) As calculated from the state comptroller's bond fund report as of March 31, 2015, adjusted for:
- (i) Appropriations to be funded by general obligation bonds or reimbursable general obligation bonds as provided in House Bill No. 500, H.D. 1, S.D. 1, C.D. 1<sup>1</sup> (the General Appropriations Act of 2015);
  - (ii) Lapses as provided in House Bill No. 500, H.D. 1, S.D. 1, C.D. 1<sup>1</sup> (the General Appropriations Act of 2015);
  - (iii) Appropriations to be funded by general obligation bonds or reimbursable general obligation bonds as provided in House Bill No. 290, H.D. 2, S.D. 1, C.D. 1<sup>2</sup> (the Judiciary Appropriations Act of 2015);
  - (iv) Lapses as provided in House Bill No. 290, H.D. 2, S.D. 1, C.D. 1<sup>2</sup> (the Judiciary Appropriations Act of 2015); and
  - (v) Appropriations to be funded by general obligation bonds or reimbursable general obligation bonds as provided in Senate Bill No. 284, S.D.2, H.D.2, C.D.1<sup>3</sup>, Senate Bill No. 892, S.D.2, H.D.3, C.D.1<sup>4</sup>, and Senate Bill No. 1078, S.D.1, H.D.1, C.D.1<sup>5</sup>;
- the total amount of authorized but unissued general obligation bonds is \$2,422,975,155. The total amount of general obligation bonds authorized in this Act is \$944,607,497. The total amount of general obligation bonds previously authorized and unissued, as adjusted, and the general obligation bonds authorized in this Act is \$3,367,582,652.
- (B) As reported by the department of budget and finance the outstanding principal amount of bonds constituting instruments of indebtedness under which the State may incur a contingent liability as a guarantor is \$233,500,000, all or part of which is excludable in determining the power of the State to issue general obligation bonds, pursuant to Article VII, Section 13 of the State Constitution.
- (5) Proposed general obligation bond issuance. As reported therein for the fiscal years 2014-2015, 2015-2016, 2016-2017, 2017-2018, and 2018-2019, the State proposed to issue \$500,000,000 in general obligation bonds semiannually during fiscal year 2015-2016, \$550,000,000 in general obligation bonds semiannually during fiscal year 2016-2017, and \$325,000,000 in general obligation bonds semiannually during fiscal years 2017-2018 and 2018-2019. It has been the practice of the State to issue twenty-year serial bonds with principal repayments beginning in the fifth year, the bonds payable in substantially equal annual installments of principal and interest payment with interest payments commencing six months from the date of issuance and being paid semi-annually thereafter. It is assumed that this practice will continue to be applied to the bonds that are proposed to be issued.
- (6) Sufficiency of proposed general obligation bond issuance to meet the requirements of authorized and unissued bonds, as adjusted, and bonds authorized by this Act. From the schedule reported in paragraph (5), the total amount of general obligation bonds that the State proposes to issue during the fiscal years 2015-2016 to 2017-

2018 is \$2,750,000,000. An additional \$650,000,000 is proposed to be issued in fiscal year 2018-2019. The total amount of \$2,750,000,000 which is proposed to be issued through fiscal year 2017-2018 is sufficient to meet the requirements of the authorized and unissued bonds, as adjusted, the total amount of which is \$3,367,582,652 reported in paragraph (4), except for \$617,582,652. It is assumed that the appropriations to which an additional \$617,582,652 in bond issuance needs to be applied will have been encumbered as of June 30, 2018. The \$650,000,000 which is proposed to be issued in fiscal year 2018-2019 will be sufficient to meet the requirements of the June 30, 2018 encumbrances in the amount of \$617,582,652. The amount of assumed encumbrances as of June 30, 2018 is reasonable and conservative, based upon an inspection of June 30 encumbrances of the general obligation bond fund as reported by the state comptroller. Thus, taking into account the amount of authorized and unissued bonds, as adjusted, and the bonds authorized by this Act versus the amount of bonds proposed to be issued by June 30, 2018, and the amount of June 30, 2018 encumbrances versus the amount of bonds proposed to be issued in fiscal year 2018-2019, the legislature finds that in the aggregate, the amount of bonds proposed to be issued is sufficient to meet the requirements of all authorized and unissued bonds and the bonds authorized by this Act.

(7) Bonds excludable in determining the power of the State to issue bonds. As noted in paragraph (1), certain bonds are excludable in determining the power of the State to issue general obligation bonds.

(A) General obligation reimbursable bonds can be excluded under certain conditions. It is not possible to make a conclusive determination as to the amount of reimbursable bonds which are excludable from the amount of each proposed bond issued because:

- (i) It is not known exactly when projects for which reimbursable bonds have been authorized in prior acts and in this Act will be implemented and will require the application of proceeds from a particular bond issue; and
- (ii) Not all reimbursable general obligation bonds may qualify for exclusion.

However, the legislature notes that with respect to the principal and interest on outstanding general obligation bonds, according to the department of budget and finance, the average proportion of principal and interest which is excludable each year from the calculation against the debt limit is 0.67 per cent for approximately ten years from fiscal year 2014-2015 to fiscal year 2023-2024. For the purpose of this declaration, the assumption is made that 0.50 per cent of each bond issue will be excludable from the debt limit, an assumption that the legislature finds to be reasonable and conservative.

(B) Bonds constituting instruments of indebtedness under which the State incurs a contingent liability as a guarantor can be excluded, but only to the extent the principal amount of those guaranties does not exceed seven per cent of the principal amount of outstanding general obligation bonds not otherwise excluded under subparagraph (A) of this paragraph (7); and

provided that the State shall establish and maintain a reserve in an amount in reasonable proportion to the outstanding loans guaranteed by the State as provided by law. According to the department of budget and finance and the assumptions presented herein, the total principal amount of outstanding general obligation bonds and general obligation bonds proposed to be issued, which are not otherwise excluded under Article VII, Section 13 of the State Constitution for the fiscal years 2014-2015, 2015-2016, 2016-2017, 2017-2018, and 2018-2019 are as follows:

<u>Fiscal year</u>	<u>Total amount of General Obligation Bonds not otherwise excluded by Article VII, Section 13 of the State Constitution</u>
2014-2015	\$6,070,550,000
2015-2016	7,065,550,000
2016-2017	8,160,050,000
2017-2018	8,806,800,000
2018-2019	9,453,750,000

Based on the foregoing and based on the assumption that the full amount of a guaranty is immediately due and payable when such guaranty changes from a contingent liability to an actual liability, the aggregate principal amount of the portion of the outstanding guaranties and the guaranties proposed to be incurred, which does not exceed seven per cent of the average amount set forth in the last column of the above table and for which reserve funds have been or will have been established as heretofore provided, can be excluded in determining the power of the State to issue general obligation bonds. As it is not possible to predict with a reasonable degree of certainty when a guaranty will change from a contingent liability to an actual liability, it is assumed in conformity with fiscal conservatism and prudence, that all guaranties not otherwise excluded pursuant to Article VII, Section 13 of the State Constitution will become due and payable in the same fiscal year in which the greatest amount of principal and interest on general obligation bonds, after exclusions, occurs. Thus, based on such assumptions and on the determination in paragraph (8), all of the outstanding guaranties can be excluded.

- (8) Determination whether the debt limit will be exceeded at the time of issuance. From the foregoing and on the assumption that all of the bonds identified in paragraph (5) will be issued at an interest rate not to exceed 6.00 per cent in fiscal years 2016 through 2019, it can be determined from the following schedule that the bonds which are proposed to be issued, which include all authorized and unissued bonds previously authorized, as adjusted, general obligation bonds, and instruments of indebtedness under which the State incurs a contingent liability as a guarantor authorized in this Act, will not cause the debt limit to be exceeded at the time of such issuance:

<u>Time of Issuance and Amount to be Counted Against Debt Limit</u>	<u>Debt Limit at Time of Issuance</u>	<u>Greatest Amount and Year of Highest Principal and Interest on Bonds and Guaranties</u>
1st half FY 2015-2016 \$497,500,000	1,153,312,266	701,482,632 (2016-2017)
2nd half FY 2015-2016 \$497,500,000	1,153,312,266	706,437,401 (2017-2018)
1st half FY 2016-2017 \$547,250,000	1,176,812,522	729,020,051 (2018-2019)
2nd half FY 2016-2017 \$547,250,000	1,176,812,522	761,855,051 (2018-2019)
1st half FY 2017-2018 \$323,375,000	1,229,520,792	771,556,301 (2018-2019)
2nd half FY 2017-2018 \$323,375,000	1,229,520,792	787,657,300 (2021-2022)
1st half FY 2018-2019 \$323,375,000	1,285,885,420	809,248,388 (2023-2024)
2nd half FY 2018-2019 \$323,375,000	1,285,885,420	841,245,888 (2023-2024)

- (9) Overall and concluding finding. From the facts, estimates, and assumptions stated in this declaration of findings, the conclusion is reached that the total amount of principal and interest estimated for the general obligation bonds authorized in this Act, and for all bonds authorized and unissued, and calculated for all bonds issued and outstanding, and all guaranties, will not cause the debt limit to be exceeded at the time of issuance.

SECTION 2. The legislature finds the bases for the declaration of findings set forth in this Act are reasonable. The assumptions set forth in this Act with respect to the principal amount of general obligation bonds which will be issued, the amount of principal and interest on reimbursable general obligation bonds which are assumed to be excludable, and the assumed maturity structure shall not be deemed to be binding, it being the understanding of the legislature that such matters must remain subject to substantial flexibility.

SECTION 3. Authorization for issuance of general obligation bonds. General obligation bonds may be issued as provided by law in an amount that may be necessary to finance projects authorized in House Bill No. 500, H.D. 1, S.D. 1, C.D. 1<sup>1</sup> (the General Appropriations Act of 2015), House Bill No. 290, H.D. 2, S.D. 1, C.D. 1<sup>2</sup> (the Judiciary Appropriations Act of 2015), Senate Bill No. 284, S.D.2, H.D.2, C.D.1<sup>3</sup>, Senate Bill No. 892, S.D.2, H.D.3, C.D.1<sup>4</sup>, and Senate Bill No. 1078, S.D.1, H.D.1, C.D.1<sup>5</sup>; passed by the legislature during this regular session of 2015 and designated to be financed from the general obligation bond fund and from the general obligation bond fund with debt service cost to be paid from special funds; provided that the sum total of general obligation bonds so issued shall not exceed \$944,607,497.

Any law to the contrary notwithstanding, general obligation bonds may be issued from time to time in accordance with Section 39-16, Hawaii Revised Statutes, in such principal amount as may be required to refund any general obligation bonds of the State of Hawaii heretofore or hereafter issued pursuant to law.

## ACT 163

SECTION 4. The provisions of this Act are declared to be severable and if any portion thereof is held to be invalid for any reason, the validity of the remainder of this Act shall not be affected.

SECTION 5. In printing this Act, the revisor of statutes shall substitute in section 1 and section 3 the corresponding act numbers for bills identified therein.

SECTION 6. This Act shall take effect upon its approval.

(Approved June 26, 2015.)

### Notes

1. Act 119.
2. Act 138.
3. Act 121.
4. Act 143.
5. Act 55.

## ACT 163

S.B. NO. 1158

A Bill for an Act Relating to the Pacific International Space Center for Exploration Systems Special Fund.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the Pacific international space center for exploration systems was established to attract and retain aerospace investment in the State and to bridge the gap between the public and private sector. The establishment of the Pacific international space center for exploration systems special fund will enable the Pacific international space center for exploration systems to better achieve these goals.

The purpose of this Act is to establish a special fund for the operation, maintenance, and management of the Pacific international space center for exploration systems' projects, facilities, services, and publications.

SECTION 2. Chapter 201, Hawaii Revised Statutes, is amended by adding a new section to part V, subpart B to be appropriately designated and to read as follows:

**“§201- Pacific international space center for exploration systems special fund.** (a) There is established in the state treasury the Pacific international space center for exploration systems special fund, into which shall be deposited:

- (1) Revenues, moneys, and fees from services, rentals, publications, royalties, and patents generated under this subpart;
- (2) Gifts, donations, and grants received by the Pacific international space center for exploration systems; and
- (3) Proceeds from revenue bonds issued by the director of finance.

(b) Moneys in the fund shall be used by the Pacific international space center for exploration systems for the operation, maintenance, and management of its projects, facilities, services, and publications and for the design and construction of new facilities and the renovation of or addition to existing facilities.

(c) All moneys remaining in the Pacific international space center for exploration systems special fund at the close of each fiscal year that are deemed, by the director of finance, to be in excess of the moneys necessary to carry out the purposes of this section in the next fiscal year shall lapse to the credit of the state general fund.”

SECTION 3. New statutory material is underscored.<sup>1</sup>

SECTION 4. This Act shall take effect on July 1, 2015.

(Approved June 26, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 164**

S.B. NO. 1316

A Bill for an Act Relating to Electric Vehicles.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. (a) There is established within the department of business, economic development, and tourism, for administrative purposes, a working group to address the installation of electric vehicle charging systems at apartments, condominiums, cooperative housing corporations, and planned community associations.

(b) The working group shall examine the issues regarding requests to the board of directors of an association of apartment owners, condominium association, cooperative housing corporation, or planned community association for the installation of electric vehicle charging systems.

(c) The following individuals or their designees shall serve as members of the working group:

- (1) The director of business, economic development, and tourism, who shall serve as the chairperson of the working group;
- (2) The director of commerce and consumer affairs;
- (3) One representative from the division of consumer advocacy;
- (4) The chair of the committee on consumer protection and commerce of the house of representatives;
- (5) The chair of the committee on commerce and consumer protection of the senate;
- (6) The chair of the committee on energy and environmental protection of the house of representatives;
- (7) The chair of the committee on energy and environment of the senate;
- (8) Two representatives of the Community Associations Institute;
- (9) Two representatives from Hawaii EV Partnership;
- (10) One representative from the Building Industry Association of Hawaii; and
- (11) One representative from Hawaiian Electric Company.

(d) The working group shall report its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2016.

- (e) The legislative reference bureau shall assist the working group with its final report to the legislature and prepare any proposed legislation.
- (f) The working group shall be dissolved on December 30, 2015.

SECTION 2. This Act shall take effect on July 1, 2015.

(Approved June 26, 2015.)

**ACT 165**

H.B. NO. 391

A Bill for an Act Relating to Wages and Hours on Public Works.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 104-1, Hawaii Revised Statutes, is amended by amending the definition of "overtime compensation" to read as follows:

"Overtime compensation" means compensation based on not less than one and one-half times the laborers or mechanics basic hourly rate of pay plus the cost to an employer of furnishing a laborer or mechanic with fringe benefits as described in the definition of "wages"[-]; provided that if the department determines that a prevailing wage is defined by a collective bargaining agreement, the overtime compensation shall be at the rates set by the applicable collective bargaining agreement."

SECTION 2. Section 104-2, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) No laborer or mechanic employed on the job site of any public work of the State or any political subdivision thereof shall be permitted or required to work on Saturday, Sunday, or a legal holiday of the State or in excess of eight hours on any other day unless the laborer or mechanic receives overtime compensation for all hours worked on Saturday, Sunday, and a legal holiday of the State or in excess of eight hours on any other day. The rate for overtime compensation and any other premium rates of pay shall be those rates specified in an applicable collective bargaining agreement when the basic hourly rate is established by a collective bargaining agreement."

For purposes of determining overtime compensation under this subsection, the basic hourly rate of any laborer or mechanic shall not be less than the basic hourly rate determined by the director to be the prevailing basic hourly rate for corresponding classes of laborers and mechanics on projects of similar character in the State."

SECTION 3. Section 444-16.5, Hawaii Revised Statutes, is amended to read as follows:

**"§444-16.5 Bond.** The contractors license board may require each licensee, applicant, individual or corporate, who is a specialty contractor to put up bond in the sum of not less than \$5,000 executed by the licensee or applicant as principal and by a surety company authorized to do business in the State as surety.

The board may require each licensee, applicant, individual or corporate, who is a general contractor to put up a bond in the sum of not less than \$5,000 executed by the licensee or applicant as principal and by a surety company authorized to do business in the State as surety.

The board, in exercising its discretion, shall take into consideration the licensee's or applicant's financial condition and experience in the field.

The bond shall be in ~~[such]~~ a form as the board may prescribe, conditioned upon the payment of wages, as defined in section ~~[[104-1(7)];~~ 104-1, to the employees of the contractor or any other person or entity entitled to ~~[such]~~ wages when due, and giving employees or any other person or entity entitled to ~~[such]~~ wages who have not been paid a right of action on the bond in their own names; and upon the honest conduct of the business of the licensee, and upon the right of any person injured or damaged by any wrongful act of the licensee to bring an action on the bond; provided that any claim for wages shall have priority over all other claims."

SECTION 4. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 2015.

(Approved June 26, 2015.)

## ACT 166

H.B. NO. 696

A Bill for an Act Relating to Workforce Development.

*Be It Enacted by the Legislature of the State of Hawaii:*

### PART I

SECTION 1. The legislature finds that Hawaii's healthcare demands will dramatically increase in the upcoming decade due to additional requirements established by the federal Patient Protection and Affordable Care Act and the already widening health disparity among Hawaii's residents. However, with careful planning and preparation, Hawaii can meet these demands and ensure that access to quality health care remains a priority. Specifically, the State must follow the recommendations made by the Hawaii Healthcare Workforce 20/20 plan to strengthen the pipeline into health careers and must take additional efforts toward meeting the health-related objectives and policies established by the Hawaii State Planning Act.

The purpose of this part is to establish the Hawaii healthcare workforce advisory board to advise the department of labor and industrial relations in fulfilling the objectives established by section 226-20, Hawaii Revised Statutes, of the Hawaii State Planning Act to:

- (1) Provide adequate and accessible services and facilities for prevention and treatment of physical and mental health problems, including substance abuse;
- (2) Encourage improved cooperation among public and private sectors in the provision of health care to accommodate the total health needs of individuals throughout the State;
- (3) Encourage public and private efforts to develop and promote state-wide and local strategies to reduce health care and related insurance costs;



- (4) Foster an awareness of the need for personal health maintenance and preventive health care through education and other measures;
- (5) Provide programs, services, and activities that ensure environmentally healthful and sanitary conditions;
- (6) Improve the State's capabilities in preventing contamination by pesticides and other potentially hazardous substances through increased coordination, education, monitoring, and enforcement; and
- (7) Prioritize program services, interventions, and activities that address identified social determinants of health to improve native Hawaiian health and well-being consistent with the United States Congress' declaration of policy as codified in title 42 United States Code section 11702, and to reduce health disparities of disproportionately affected demographics, including native Hawaiians, other Pacific Islanders, and Filipinos.

SECTION 2. Chapter 371, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§371- Hawaii healthcare workforce advisory board; established.** (a) There is established within the department, for administrative purposes, the Hawaii healthcare workforce advisory board, which shall include the following members or their designees:

- (1) The director, who shall serve as the chair;
- (2) The director of health;
- (3) The director of the Hawaii/pacific basin area health education center;
- (4) The director of the University of Hawaii at Manoa office of public health studies;
- (5) One chancellor of a community college within the University of Hawaii system, to be selected by the other members of the Hawaii healthcare workforce advisory board;
- (6) One member representing a nurse training program; and
- (7) Three representatives from Hawaii's health care community that represent a variety of health care disciplines. The representatives shall be selected by the other members of the Hawaii healthcare workforce advisory board and shall serve two-year terms.

(b) Section 26-34 shall not apply to the Hawaii healthcare workforce advisory board.

(c) The Hawaii healthcare workforce advisory board shall:

- (1) Advise the department on strategies for developing the health care industry workforce, including recommending projects and programs to promote the expansion and development of the health care industry;
- (2) Develop a mission, objectives, and goals with particular attention to efforts in pre-service programs and opportunities; and
- (3) Advise the department in developing partnerships with health care providers, organizations, and stakeholders to further the Hawaii healthcare workforce advisory board's mission and objectives.

(d) Members of the Hawaii healthcare workforce advisory board shall serve without compensation; provided that the representatives from the health care community shall be reimbursed for necessary expenses incurred in the performance of their duties.”

## PART II

SECTION 3. Chapter 371, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§371- Workforce advisory boards; established.** (a) In addition to any workforce advisory board established pursuant to this chapter, the director may establish workforce advisory boards to be placed in the department for administrative purposes only. Section 26-34 shall not apply to the workforce advisory boards established pursuant to this section.

(b) The director or the director’s designee shall serve as the chairperson of any workforce advisory board.

(c) The director may designate the membership of the workforce advisory boards, and the members shall be selected on the basis of their knowledge, experience, and expertise. The members may consist of partners, stakeholders, educators, practitioners, and employers in important or emerging businesses or industries that have been identified in the State.

(d) The workforce advisory boards shall:

- (1) Advise the department on strategies for developing the industry workforce, including recommending projects and programs to promote the expansion and development of the industry;
- (2) Develop a mission, objectives, and goals with particular emphasis on pre-service programs and opportunities;
- (3) Advise the department in developing partnerships and cooperative educational programs with providers, organizations, and stakeholders to further the workforce advisory board’s mission and objectives;
- (4) Coordinate and align workforce programs and develop strategies to meet worker and employer needs;
- (5) Engage employers across the workforce system to align training with needed skills and match employers with qualified workers;
- (6) Provide new and incumbent worker training and transitional jobs that promote work-based training; and
- (7) Align the performance indicators for core programs, and add new performance indicators related to services to employers and post-secondary credential attainment.

(e) The members of the workforce advisory boards shall serve without compensation, but shall be reimbursed for expenses, including travel expenses, incurred in the performance of their duties and shall serve two-year terms.”

## PART III

SECTION 4. New statutory material is underscored.<sup>1</sup>

SECTION 5. This Act shall take effect on July 1, 2015.

(Approved June 26, 2015.)

## Note

1. Edited pursuant to HRS §23G-16.5.

A Bill for an Act Relating to Wages and Hours on Public Works Law.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 104-22, Hawaii Revised Statutes, is amended to read as follows:

**“§104-22 Investigation; penalties.** (a) The department may conduct investigations to determine compliance with this chapter. The department may enter the job site, examine records of any contractor, either during or after the performance of any contract, or subpoena the records. The department may also interview employees during working hours on the job.

(b) If any contractor interferes with or delays any investigation by the department, the governmental contracting agency, on receipt of written notice from the director of the interference or delay, shall withhold from the contractor all further payments until the director has notified the governmental contracting agency in writing that the interference or delay has ceased. Interference or delay includes failure to provide requested records under section 104-3; failure to allow employees to be interviewed during working hours on the job; and falsification of records required under this chapter. The department shall assess a penalty of \$10,000 per project for interference or delay. For each day thereafter that the employer fails to cooperate, the director shall assess a penalty of \$1,000 per project.

(c) The names of all complainants shall be withheld from the employer unless prior permission is given by the complainant to release the complainant's name.”

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 2015.

(Approved June 26, 2015.)

A Bill for an Act Relating to Workers' Compensation.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that Hawaii's public employers have in place return to work programs for their eligible injured employees on workers' compensation. These return to work programs give priority consideration to retaining eligible injured public employees so that they can return to work with their employer as soon as possible in a cost effective manner.

The legislature further finds that if a return to their public employer cannot be successfully accomplished through the return to work program, then additional vocational rehabilitation services provide another avenue for the injured public employees to seek suitable and gainful employment, unless an employee chooses to retire.

The purpose of this Act is to help coordinate the efficient use of public employer return to work programs in accordance with vocational rehabilitation under the workers' compensation law.

SECTION 2. Section 386-25, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The purposes of vocational rehabilitation are to restore an injured worker’s earnings capacity as nearly as possible to that level that the worker was earning at the time of injury and to return the injured worker to suitable gainful employment in the active labor force as quickly as possible in a cost-effective manner. Vocational rehabilitation shall not be available for public employees who have retired from a public employer, as defined in section 76-11, with whom they sustained their work injury.

Employees of public employers, as defined in section 76-11, who are eligible for their respective public employer’s return to work program, shall participate in and complete the return to work program, including temporary light duty placement efforts, as a prerequisite to vocational rehabilitation benefits under this section.”

SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 4. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2015.

(Approved June 26, 2015.)

## ACT 169

H.B. NO. 207

A Bill for an Act Relating to Training.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that pursuant to Hawaii’s constitution, statutes, and case law, the State recognizes a mandate to protect native Hawaiian and Hawaiian traditional and customary rights.

Certain state councils, boards, and commissions administer public trust resources and programs that directly impact native Hawaiian and Hawaiian traditional and customary rights, natural resource protection and access rights, and the public trust. As entities of the State, these councils, boards, and commissions have a duty to protect and preserve these rights and a fiduciary duty to administer the public trust in the interest of the beneficiaries, including native Hawaiians and Hawaiians. The legislature finds that newly appointed members of these state councils, boards, and commissions represent a broad range of expertise and experience and therefore may not possess, upon their appointment, knowledge of native Hawaiian and Hawaiian rights and the public trust that would enable them to execute their roles and be fully informed of their responsibilities.

Chapter 10, Hawaii Revised Statutes, indicates that the office of Hawaiian affairs is the principal public state agency responsible for ensuring that other state agencies protect native Hawaiian and Hawaiian rights. Section 10-1(b), Hawaii Revised Statutes, specifies that “[i]t shall be the duty and responsibility of all state departments and instrumentalities of state government providing services and programs which affect native Hawaiians and Hawaiians to actively work toward the goals of this chapter and to cooperate with and assist wherever possible the office of Hawaiian affairs.”

Section 10-3, Hawaii Revised Statutes, states:

“The purposes of the office of Hawaiian affairs include:

- (3) Serving as the principal public agency in this State responsible for the performance, development, and coordination of programs and activities relating to native Hawaiians and Hawaiians; except that the Hawaiian Homes Commission Act, 1920, as amended, shall be administered by the Hawaiian homes commission;
- (4) Assessing the policies and practices of other agencies impacting on native Hawaiians and Hawaiians, and conducting advocacy efforts for native Hawaiians and Hawaiians[.]”

Therefore, the legislature finds that to prepare these state appointees to fulfill their roles and responsibilities fully informed of their duties and obligations, these state appointees should be provided with training.

The legislature further finds that the office of Hawaiian affairs is the appropriate agency to train and educate the members of appropriate councils, boards, and commissions about native Hawaiian and Hawaiian traditional and customary rights, natural resource protection and access rights, and the public trust.

The purpose of this Act is to:

- (1) Require the office of Hawaiian affairs to establish, design, and administer a training course on native Hawaiian and Hawaiian rights, the source of these rights, and how infringement of these rights affects the native Hawaiian and Hawaiian people;
- (2) Require members of appropriate state councils, boards, and commissions to take the training course; and
- (3) Allow other state or county officers, representatives, or employees to request to enroll in the training course.

The legislature finds that since January 2013, the office of Hawaiian affairs has offered three such training courses, which have attracted attendees representing a broad spectrum of state and county government officials. An overwhelming majority of attendees that completed surveys expressed their satisfaction with the training courses' content, materials, and presentations. Furthermore, attendees agreed that the training course helped them to better understand native Hawaiian and Hawaiian traditional and customary rights, natural resource protection, access rights, and the public trust. Finally, the number of requests to attend the three courses already offered and the numerous inquiries regarding additional courses reflect a substantial demand for training.

SECTION 2. Chapter 10, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

**“PART . TRAINING; CERTAIN BOARDS, COMMISSIONS, AND COUNCILS; NATIVE HAWAIIAN AND HAWAIIAN TRADITIONAL AND CUSTOMARY RIGHTS, NATURAL RESOURCE PROTECTION AND ACCESS RIGHTS, AND THE PUBLIC TRUST**

**§10-A Training; applicability.** (a) The training required by this part shall apply to members of the land use commission, board of land and natural resources, commission on water resource management, environmental council, board of directors of the agribusiness development corporation, board of agriculture, legacy land conservation commission, natural area reserves system commission, Hawaii historic places review board, and board of health.

(b) Members of any state council, board, or commission, and any officer, representative, or employee of the State or counties not subject to the training required in subsection (a) may request to enroll in the training course administered by the office of Hawaiian affairs pursuant to section 10-B.

**§10-B Training relating to native Hawaiian and Hawaiian traditional and customary rights, natural resources and access rights, and the public trust.**

(a) All council, board, and commission members identified in section 10-A(a) shall complete the training course administered by the office of Hawaiian affairs pursuant to this section within twelve months of the date of the member's initial appointment.

(b) The office of Hawaiian affairs, at its own expense, shall establish, design, and administer a training course relating to native Hawaiian and Hawaiian traditional and customary rights, native Hawaiian and Hawaiian natural resource protection and access rights, and the public trust, including the State's trust responsibility. The training course shall include:

(1) Historical information, explanations, and discussions of key state laws, state constitutional provisions, and court rulings that reaffirm and provide for the protection of native Hawaiian and Hawaiian rights; and

(2) A discussion of the importance of public trust resources and various programs to native Hawaiian and Hawaiian rights.

(c) The office of Hawaiian affairs, at its own expense, shall develop the methods and prepare any materials necessary to implement the training course, administer the training course, and notify each council, board, and commission identified in section 10-A(a) that attendance in a training course is mandatory.

(d) The office of Hawaiian affairs shall offer the training course at least twice per year.

(e) The governor shall provide to the office of Hawaiian affairs the names of persons required to take the training course pursuant to this part within thirty calendar days of their initial appointment by the governor."

SECTION 3. In codifying the new sections added by section 2 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 4. This Act shall take effect on July 1, 2015.

(Approved June 30, 2015.)

**ACT 170**

H.B. NO. 209

A Bill for an Act Relating to the Budget of the Office of Hawaiian Affairs.

*Be It Enacted by the Legislature of the State of Hawaii:*

**PART I. GENERAL PROVISIONS**

SECTION 1. The purpose of this Act is to appropriate funds for the biennial budget of the office of Hawaiian affairs. This Act shall be known and may be cited as the Office of Hawaiian Affairs Appropriations Act of 2015.

SECTION 2. Unless otherwise clear from the context, as used in this Act:

(a) "Program ID" means the unique identifier for the specific program, and consists of the abbreviation for the office of Hawaiian affairs (OHA) followed by a designated number for the program.

(b) "Means of financing" or "MOF" means the source from which funds are appropriated or authorized, as the case may be, to be expended for the programs and projects specified in this Act. All appropriations are followed by letter symbols. Such letter symbols, where used, shall have the following meanings:

- A general funds
- T trust funds

(c) "Position ceiling" means the maximum number of permanent positions authorized for a particular program during a specified period or periods, as noted by an asterisk.

**PART II. PROGRAM APPROPRIATIONS**

SECTION 3. The following sums, or so much thereof as may be necessary to accomplish the purposes and programs designated herein, are appropriated or authorized, as the case may be, from the sources of funding specified to the office of Hawaiian affairs for the fiscal biennium beginning July 1, 2015, and ending June 30, 2017. The total general fund expenditures and the number of permanent positions established in each fiscal year of the biennium shall not exceed the sums and the position ceilings indicated for each year, except as provided elsewhere in this Act.

**PROGRAM APPROPRIATIONS**

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL M YEAR O 2015-2016 F	FISCAL M YEAR O 2016-2017 F
<b>Hawaiian Affairs</b>					
1.	OHA150	OFFICE OF THE TRUSTEES			
		OPERATING	OHA	0.47* 28,435 A	0.47* 28,435 A
			OHA	4.53* 275,687 T	4.53* 275,687 T
2.	OHA160	ADMINISTRATION			
		OPERATING	OHA	5.03* 700,159 A	5.03* 700,159 A
			OHA	31.97* 2,861,727 T	31.97* 2,861,727 T
3.	OHA175	BENEFICIARY ADVOCACY			
		OPERATING	OHA	1.47* 2,488,910 A	1.47* 2,262,410 A
			OHA	18.53* 3,292,290 T	18.53* 3,292,290 T

**PART III. PROGRAM PROVISIONS**

SECTION 4. Provided that the general fund appropriations in section 3 of this Act shall be expended by the office of Hawaiian affairs.

SECTION 5. Provided that of the funds appropriated for beneficiary advocacy (OHA175), the sum of \$415,000 in general funds and \$415,000 in trust funds for fiscal year 2015-2016 and the sum of \$415,000 in general funds and \$415,000 in trust funds for fiscal year 2016-2017 shall provide for social services, including referral services and case management, to at-risk office of Hawaiian affairs beneficiaries to immediately address unexpected crises. Program activities shall be designed with an overall objective to provide financial assistance to improve stability during emergency situations; provided that notwithstanding section 10-17(e), Hawaii Revised Statutes, any funds expended for the purposes of this section shall be in accordance with chapter 103D or 103F, Hawaii Revised Statutes, as appropriate.

SECTION 6. Provided that of the funds appropriated for beneficiary advocacy (OHA175), the sum of \$615,000 in general funds and \$615,000 in trust funds for fiscal year 2015-2016 and the sum of \$615,000 in general funds and \$615,000 in trust funds for fiscal year 2016-2017 shall provide for educational improvement programs for Native Hawaiian students. Program activities shall be designed to help Native Hawaiians meet or exceed educational standards; provided that notwithstanding section 10-17(e), Hawaii Revised Statutes, expenditure of any funds for the purposes of this section shall be made in accordance with chapter 103D or 103F, Hawaii Revised Statutes, or a competitive grants process, as appropriate.

SECTION 7. Provided that of the funds appropriated for beneficiary advocacy (OHA175), the sum of \$524,400 in general funds and \$524,400 in trust funds for fiscal year 2015-2016 and the sum of \$524,400 in general funds and \$524,400 in trust funds for fiscal year 2016-2017 shall provide for legal services and legal representation to office of Hawaiian affairs beneficiaries for: the assertion and defense of quiet title actions; assistance with ahupua'a and kuleana tenant rights, including rights of access and rights to water; land title assistance, including review of title and genealogy; preservation of traditional and customary practices; protection of culturally significant places; and preservation of Native Hawaiian land trust entitlements; provided further that notwithstanding section 10-17(e), Hawaii Revised Statutes, expenditure of any funds expended for the purposes of this section shall be made in accordance with chapter 103D or 103F, Hawaii Revised Statutes, as appropriate.

SECTION 8. Provided that of the general funds and trust funds appropriated for beneficiary advocacy (OHA175), the sum of \$500,000 in general funds and \$500,000 in trust funds for fiscal year 2015-2016 and the sum of \$500,000 in general funds and \$500,000 in trust funds for fiscal year 2016-2017 shall be expended at the discretion of the board of trustees of the office of Hawaiian affairs for office of Hawaiian affairs beneficiaries; provided further that no state general funds shall be expended unless matched by the expenditure of at least an equal amount of office of Hawaiian affairs' trust funds; provided further that the general funds and trust funds appropriated under this section shall be expended only after the chief executive officer of the office of Hawaiian affairs consults with the chairs of the senate committee on ways and means and the house committee on finance or their designees; and provided further that the office of Hawaiian affairs shall submit a report to the legislature listing expenditures made pursuant to this section no later than twenty days prior to the convening of the regular sessions of 2016 and 2017.



**PART IV. MISCELLANEOUS PROVISIONS AND EFFECTIVE DATE**

SECTION 9. If any portion of this Act or its application to any person or circumstances is held to be invalid for any reason, the remainder of the Act and any provision thereof shall not be affected. If any portion of a specific appropriation is held to be invalid for any reason, the remaining portion shall be independent of the invalid portion and shall be expended to fulfill the objective and intent of the appropriation to the extent possible.

SECTION 10. If manifest clerical, typographical, or other mechanical errors are found in this Act, the board of trustees of the office of Hawaiian affairs may correct these errors. All changes made pursuant to this section shall be reported to the legislature at its next session.

SECTION 11. This Act shall take effect on July 1, 2015.

(Approved June 30, 2015.)

**ACT 171**

S.B. NO. 1166

A Bill for an Act Relating to the Penal Code.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to amend the penal code to support the preparation and burial of a corpse consistent with traditional Hawaiian cultural customs and practices.

SECTION 2. Section 711-1108, Hawaii Revised Statutes, is amended to read as follows:

“**§711-1108 Abuse of a corpse.** (1) A person commits the offense of abuse of a corpse if, except as authorized by law, the person treats a human corpse in a way that the person knows would outrage ordinary family sensibilities.

(2) The preparation of a corpse for burial or cremation in a manner consistent with traditional Hawaiian cultural customs and practices shall not be a violation of this section.

(3) The burial or cremation of a corpse prepared consistent with traditional Hawaiian cultural customs and practices shall not be a violation of this section.

[~~(2)~~] (4) Abuse of a corpse is a misdemeanor.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved June 30, 2015.)

**ACT 172**

H.B. NO. 1007

A Bill for an Act Relating to Motor Vehicle Driver Licensing.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the federal REAL ID Act of 2005, Pub. L. No. 109-13, requires states to comply with federally mandated eligibility criteria in issuing driver's licenses, including the requirement of proof

of lawful presence in the United States. Accordingly, a person who does not submit satisfactory proof of the person's legal presence in the United States, as authorized by federal law, cannot legally operate a motor vehicle. The REAL ID Act, however, specifically allows states to issue driver's licenses that do not comply with the minimum federal use requirements and standards of the REAL ID Act, which is a critical exception. Since 2010 when the State implemented the restrictive identification requirements for driver's licenses, a significant number of residents have become unable to carry out necessary daily activities unless they operate motor vehicles without a license, and therefore, without insurance.

The heightened requirements unduly burden elderly residents, houseless individuals, undocumented immigrants, lawfully present nonimmigrants, and survivors of gender-based violence. The lack of access to licensure hinders the ability to drive safely, legally, and insured to work, to church, to run errands, to drop children off to school and drive them to medical appointments. Women in particular are disproportionately impacted by these requirements because they are often the primary caretakers of children.

In recent years, there has been a significant increase in state efforts to expand access to driver's licenses for persons who cannot provide proof of authorized presence in the United States. Several states now grant access to a driver's license regardless of immigration status and only require that the applicant establish evidence of current residency in the respective state.

The legislature further finds that the lack of access to driver's licensure as a result of restrictive identification requirements poses a serious threat to public safety. Allowing all age-qualifying residents to obtain driver's licenses will improve public safety by ensuring that all drivers are tested for driving skills and able to acquire motor vehicle insurance.

It is not the intent of this Act to jeopardize the State's compliance with the REAL ID Act of 2005 or the receipt of any federal grants or funding. Issuing restricted driver's licenses clearly marked as not acceptable for federal identification purposes for the limited purpose of driving a motor vehicle is permissible and will not jeopardize the State's eligibility for federal grants or funding.

The purpose of this Act is to enable the appropriate licensing authority in each county to issue uniquely identified limited purpose driver's licenses, provisional driver's licenses, and instruction permits to residents who meet the other qualifications for licensure or permit and provide satisfactory proof of their identity and state residency.

SECTION 2. Chapter 286, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§286- Limited purpose driver's license, limited purpose provisional driver's license, and limited purpose instruction permits.** (a) Notwithstanding section 286-104(7) to the contrary, every person who submits an application for a driver's license, provisional driver's license, or instruction permit that satisfies the requirements of this chapter except for the applicant's inability or refusal to provide satisfactory proof of authorized presence in the United States under federal law shall be issued a limited purpose driver's license, a limited purpose provisional driver's license, or a limited purpose instruction permit that is uniquely identified in compliance with the REAL ID Act of 2005 upon satisfactory proof to the examiner of drivers of the applicant's identity and residency in the State. The examiner of drivers shall accept various types of documentation for the purpose of establishing the applicant's identity and residency in the State, which may be established by more than one document. Acceptable documentation includes:

- (1) A valid, unexpired consular identification document issued by a consulate from the applicant's country of citizenship or a valid, unexpired passport from the applicant's country of citizenship;
- (2) An original birth certificate or other proof of age, as designated by the examiner of drivers;
- (3) A current home utility bill, lease, or rental agreement, or deed or title to real property in the State, as designated by the examiner of drivers;
- (4) A United States Department of Homeland Security Form I-589, Application for Asylum and for Withholding of Removal;
- (5) An official school or college transcript that includes the applicant's date of birth or a foreign school record that is sealed and includes a photograph of the applicant at the age the record was issued;
- (6) An official school or college identification card that includes the applicant's full name and a photograph of the applicant at the time the identification was issued;
- (7) A United States Department of Homeland Security Form I-20 or Form DS-2019;
- (8) A United States Customs and Immigration Services Deferred Action for Childhood Arrival Approval Letter;
- (9) A valid identification card for health benefits;
- (10) A valid identification card for an assistance or social services program;
- (11) A current voter registration card issued by the State;
- (12) A wage stub issued in the last six months;
- (13) An income tax return filed in the last two years;
- (14) A social security card;
- (15) One of the following documents which, if in a language other than English, shall be accompanied by a certified translation or an affidavit of translation into English:
  - (A) Marriage license or divorce certificate;
  - (B) Foreign federal electoral photo card issued on or after January 1, 1991;
  - (C) Foreign student identification card; or
  - (D) Foreign driver's license; or
- (16) Other proof of Hawaii residency as designated by the director.

(b) Except as otherwise provided in this subsection, every application under this section shall be made upon the form and in the manner required by section 286-111 and shall be accompanied by the fee established for non-limited purpose licenses or permits pursuant to section 286-111. The examiner of drivers shall not require any applicant under this section to furnish information regarding the applicant's eligibility or ineligibility for a social security number. The examiner shall not disclose the identity of any applicant who does not provide a social security card or social security number.

(c) Every limited purpose driver's license, limited purpose provisional driver's license, and limited purpose instruction permit issued pursuant to this section shall on its face and machine readable zone bear the phrase, "Not acceptable for official federal purposes", and on its reverse bear the phrase, "This license is issued only as a license to drive a motor vehicle. It does not establish eligibility for employment, voter registration, or public benefits", and be of a unique design or color indication that clearly distinguishes them from the State's compliant driver's licenses, provisional driver's licenses, and instruction permits. If the United States Department of Homeland Security determines that limited purpose licenses or permits issued pursuant to this section do not satisfy the

requirements of title 6 Code of Federal Regulations section 37.71, adopted pursuant to section 202 of the Real ID Act of 2005, Public Law 109-13, the examiner of drivers, under the direction of the department, shall modify the limited purpose licenses and permits issued pursuant to this section only to the extent necessary to satisfy the requirements of the federal law.

(d) Every limited purpose driver's license and limited purpose provisional driver's license shall expire in accordance with section 286-106, and every limited purpose instruction permit shall expire in accordance with section 286-110.

(e) A limited purpose driver's license or limited purpose provisional driver's license may be renewed in accordance with section 286-107 and reactivated in accordance with section 286-107.5. A limited purpose instruction permit may be renewed in accordance with section 286-110.

(f) It shall be a violation of law to discriminate against a person because the person applied for, was denied, was issued, holds, or presents a limited purpose driver's license, limited purpose provisional driver's license, or limited purpose instruction permit.

(g) A limited purpose license or limited purpose instruction permit issued pursuant to this section shall not be used to consider a person's citizenship or immigration status as a basis for a criminal investigation, arrest, or detention.

(h) Documents and information collected pursuant to an application for, denial of, or issuance of a limited purpose driver's license, limited purpose provisional driver's license, or limited purpose instruction permit shall be confidential and shall not be disclosed by the examiner of drivers or the department except as required by law.

(i) The director shall adopt rules in accordance with chapter 91 to implement this section."

SECTION 3. Section 286-102, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) No person, except one ~~[exempted]~~:

(1) Exempted under section 286-105~~[- one who]~~;

(2) Who holds an instruction permit under section 286-110~~[- one who]~~;

(3) Who holds a limited purpose driver's license, limited purpose provisional driver's license, or limited purpose instruction permit under section 286- ;

(4) Who holds a provisional license under section 286-102.6~~[- one who]~~;

(5) Who holds a commercial driver's license issued under section 286-239~~[- or one who]~~; or

(6) Who holds a commercial driver's license instruction permit issued under section 286-236,

shall operate any category of motor vehicles listed in this section without first being appropriately examined and duly licensed as a qualified driver of that category of motor vehicles."

SECTION 4. Section 286-110, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Any person aged fifteen years and six months or more who, except for the person's lack of instruction in operating a motor vehicle, would be qualified to obtain a driver's license issued under this part may apply for a temporary instruction permit or a limited purpose instruction permit at the office of the examiner of drivers in the county in which the applicant resides; provided that the applicant complies with section 286-102.5."

SECTION 5. Section 286-111, Hawaii Revised Statutes, is amended as follows:

1. By amending its title and subsection (a) to read:

**“§286-111 Application for license, provisional license, ~~or~~, instruction permit~~s~~, limited purpose driver’s license, limited purpose provisional driver’s license, or limited purpose instruction permit; fees.** (a) Every application for an instruction permit, provisional license, ~~or~~ driver’s license, limited purpose driver’s license, limited purpose provisional driver’s license, or limited purpose instruction permit shall be made upon a form furnished by the examiner of drivers and shall be verified by the applicant before a person authorized to administer oaths. The examiner of drivers and officers serving under the examiner may administer the oaths without charge. Each application for an instruction permit for a category (1), (2), (3), or (4) license shall be accompanied by a fee to be determined by the council of each county, and each application for a provisional license or driver’s license shall be accompanied by the fee, unless the applicant has already paid the fee upon application for an instruction permit in the same county, in which event no fee shall be charged. An additional fee to be determined by the council of each county shall be charged and collected upon the issuance of a provisional license or driver’s license. All of the foregoing fees shall become county realizations.”

2. By amending subsection (e) to read:

“(e) ~~If~~ Except as provided in section 286- , if the applicant is not eligible to receive a social security number, the applicant shall submit, in lieu of providing proof of social security number pursuant to subsection (d):

- (1) A United States Social Security Administration letter stating that the applicant is ineligible to obtain a social security number; and
- (2) Either:
  - (A) A government-issued photo identification document; or
  - (B) Other identification documents as deemed acceptable by the director.”

SECTION 6. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 7. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

SECTION 8. This Act shall take effect on January 1, 2016.

(Approved June 30, 2015.)

**Note**

- 1. Edited pursuant to HRS §23G-16.5.

A Bill for an Act Relating to Elections.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 11-1.6, Hawaii Revised Statutes, is amended by amending subsection (g) to read as follows:

~~“(g) The chief election officer [may be removed by the elections commission at any time for good cause.] is an at-will employee. The elections commission shall provide written notification of any removal and state the reason for the removal.”~~

SECTION 2. Section 11-7.5, Hawaii Revised Statutes, is amended to read as follows:

~~“[§11-7.5]~~ **Duties of the elections commission.** The duties of the elections commission are to:

- (1) Hold public hearings;
- (2) Investigate and hold hearings for receiving evidence of any violations and complaints;
- (3) Adopt rules pursuant to chapter 91;
- (4) Employ, without regard to chapter 76, a full-time chief election officer, pursuant to section 11-1.6; ~~and~~
- (5) Conduct a performance evaluation of the chief election officer within two months after the date a general election is certified;
- (6) Hold a public hearing on the performance of the chief election officer and consider the information gathered at the hearing in deliberations on the chief election officer’s reappointment; and
- ~~(7)~~ (7) Advise the chief election officer on matters relating to elections.”

SECTION 3. Section 15-5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Immediately upon receipt of a request for absentee ballot within the time limit specified in section 15-4, the clerk shall examine the records to ascertain whether ~~[or not]~~ the voter is lawfully entitled to vote as requested. ~~[As soon as the printed official ballots are available.]~~ If the clerk ascertains that the voter is lawfully entitled to vote as requested, no earlier than thirty days before the election, the clerk shall mail in a forwarding envelope, or deliver in person if the voter appears at the office of the clerk, an official ballot and other materials prescribed in section 15-6, except that an incapacitated voter may send a representative to obtain the voter’s ballots pursuant to the rules ~~[promulgated]~~ adopted by the chief election officer~~[-All requests received upon the last day specified in section 15-4 for receipt shall be mailed to the voter requesting the same as soon as reasonably practicable, but in no event later than twenty-four hours after receipt thereof.]; provided that official ballots and other materials prescribed in section 15-6 shall be mailed or delivered:~~

- (1) To uniform military and overseas voters pursuant to section 15D-9; and
- (2) No later than twenty-four hours after receipt of the request for absentee ballot for requests received on the last day specified in section 15-4.”

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.

(Approved June 30, 2015.)

A Bill for an Act Relating to Permanent Absentee Ballots.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 15-4, Hawaii Revised Statutes, is amended by amending subsection (e) to read as follows:

“(e) When a registered voter requests an absentee ballot, the voter also may include an additional request to receive absentee ballots permanently. After receiving a request for permanent absentee voter status, the clerk shall mail to the voter who requested permanent absentee voter status an absentee ballot for all subsequent elections conducted in that precinct. The forwarding address for absentee ballots to be permanently mailed shall be the in-state mailing address contained in the voter’s registration record. Voters who seek to have ballots forwarded to another address shall apply for an absentee ballot under subsection (a).”

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 30, 2015.)

A Bill for an Act Relating to Pharmacy Benefit Managers.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 328, Hawaii Revised Statutes, is amended by adding a new section to part VI to be appropriately designated and to read as follows:

“~~§328-~~ **Pharmacy benefit manager; maximum allowable cost.** (a) A pharmacy benefit manager that reimburses a contracting pharmacy for a drug on a maximum allowable cost basis shall comply with the requirements of this section.

(b) The pharmacy benefit manager shall include the following in the contract information with a contracting pharmacy:

- (1) Information identifying any national drug pricing compendia; or
- (2) Other data sources for the maximum allowable cost list.

(c) The pharmacy benefit manager shall make available to a contracting pharmacy, upon request, the most up-to-date maximum allowable cost price or prices used by the pharmacy benefit manager for patients served by the pharmacy in a readily accessible, secure, and usable web-based or other comparable format.

(d) A drug shall not be included on a maximum allowable cost list or reimbursed on a maximum allowable cost basis unless all of the following apply:

- (1) The drug is listed as “A” or “B” rated in the most recent version of the Orange Book or has a rating of “NR”, “NA”, or similar rating by a nationally recognized reference;
- (2) The drug is generally available for purchase in this State from a national or regional wholesaler; and
- (3) The drug is not obsolete.

(e) The pharmacy benefit manager shall review and make necessary adjustments to the maximum allowable cost of each drug on a maximum allowable cost list at least once every seven days using the most recent data sources available, and shall apply the updated maximum allowable cost list beginning that same day to reimburse the contracted pharmacy until the pharmacy benefit manager next updates the maximum allowable cost list in accordance with this section.

(f) The pharmacy benefit manager shall have a clearly defined process for a contracting pharmacy to appeal the maximum allowable cost for a drug on a maximum allowable cost list that complies with all of the following:

(1) A contracting pharmacy may base its appeal on one or more of the following:

(A) The maximum allowable cost for a drug is below the cost at which the drug is available for purchase by similarly situated pharmacies in this State from a national or regional wholesaler; or

(B) The drug does not meet the requirements of subsection (d);

(2) A contracting pharmacy shall be provided no less than fourteen business days following receipt of payment for a claim to file the appeal with the pharmacy benefit manager;

(3) The pharmacy benefit manager shall make a final determination on the contracting pharmacy's appeal no later than fourteen business days after the pharmacy benefit manager's receipt of the appeal;

(4) If the maximum allowable cost is upheld on appeal, the pharmacy benefit manager shall provide to the contracting pharmacy the reason therefor and the national drug code of an equivalent drug that may be purchased by a similarly situated pharmacy at a price that is equal to or less than the maximum allowable cost of the drug that is the subject of the appeal; and

(5) If the maximum allowable cost is not upheld on appeal, the pharmacy benefit manager shall adjust, for the appealing contracting pharmacy, the maximum allowable cost of the drug that is the subject of the appeal, within one calendar day of the date of the decision on the appeal and allow the contracting pharmacy to reverse and rebill the appealed claim.

(g) A contracting pharmacy shall not disclose to any third party the maximum allowable cost list and any related information it receives, either directly from a pharmacy benefit manager or through a pharmacy services administrative organization or similar entity with which the pharmacy has a contract to provide administrative services for that pharmacy."

SECTION 2. Section 328-91, Hawaii Revised Statutes, is amended by adding three new definitions to be appropriately inserted and to read as follows:

"Maximum allowable cost" means the maximum amount that a pharmacy benefit manager shall reimburse a pharmacy for the cost of a drug.

"Maximum allowable cost list" means a list of drugs for which a maximum allowable cost has been established by a pharmacy benefit manager.

"Obsolete" means a drug that may be listed in a national drug pricing compendia but cannot be dispensed based on the expiration date of the last lot manufactured."

SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.



SECTION 4. New statutory material is underscored.<sup>1</sup>

SECTION 5. This Act shall take effect on July 1, 2015.

(Approved June 30, 2015.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 176

H.B. NO. 318

A Bill for an Act Relating to Government Buildings.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 102-2, Hawaii Revised Statutes, is amended to read as follows:

**“§102-2 Contracts for concessions; bid required, exception.** (a) Except as otherwise specifically provided by law, no concession or concession space shall be leased, let, licensed, rented out, or otherwise disposed of either by contract, lease, license, permit or any other arrangement, except under contract let after public notice for sealed bids in the manner provided by law; provided that the duration of the grant of the concession or concession space shall be related to the investment required but in no event to exceed fifteen years; provided further that and subject to approval by county council resolution, the fifteen-year limit shall not apply to nonprofit corporations organized pursuant to chapter 414D.

(b) The bidding requirements of subsection (a) shall not apply to concessions or space on public property set aside for the following purposes:

- (1) For operation of ground transportation services and parking lot operations at airports, except for motor vehicle rental operations under chapter 437D;
- (2) For lei vendors;
- (3) For airline and aircraft operations;
- (4) For automated teller machines and vending machines, except vending machines located at public schools operated by blind or visually handicapped persons in accordance with section 302A-412;
- (5) For operation of concessions set aside without any charge;
- (6) For operation of concessions by handicapped or blind persons; except concessions operated in the public schools by blind or visually handicapped persons in accordance with section 302A-412;
- (7) For operation of concessions on permits revocable on notice of thirty days or less; provided that no such permits shall be issued for more than a one year period;
- (8) For operation of concessions or concession spaces for a beach service association dedicated to the preservation of the Hawaii beach boy tradition, incorporated as a nonprofit corporation in accordance with state law, and whose members are appropriately licensed or certified as required by law;
- (9) For operation of concessions at county zoos, botanic gardens, or other county parks which are environmentally, culturally, historically, or operationally unique and are supported, by nonprofit corporations incorporated in accordance with state law solely for purposes

- of supporting county aims and goals of the zoo, botanic garden, or other county park, and operating under agreement with the appropriate agency solely for such purposes, aims, and goals;
- (10) For operation of concessions that furnish goods or services for which there is only one source, as determined by the head of the awarding government agency in writing that shall be included in the contract file;
  - (11) For any of the operations of the Hawaii health systems corporation and its regional system boards;
  - (12) For airport operation of concessions providing electronic communication services;
  - (13) For airport operation of concessions consisting solely of advertising;
  - (14) For the stadium authority operation of concessions providing electronic communication services; and
  - (15) For the stadium authority operation of concessions consisting solely of advertising.

(c) The bidding requirements of subsection (a) shall not apply to any nonrenewable dispositions granting rights for a period not in excess of fourteen days.

(d) The bidding requirements and fifteen year limit in subsection (a) shall not apply to any disposition or grant of rights to anyone to place one or more names, in accordance with applicable county sign ordinances, on a state or county building.

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 30, 2015.)

## ACT 177

H.B. NO. 697

A Bill for an Act Relating to State Facilities.

*Be It Enacted by the Legislature of the State of Hawaii:*

### PART I

SECTION 1. Section 26-6, Hawaii Revised Statutes, charges the department of accounting and general services with the responsibility to “undertake the program of centralized engineering and office leasing services, including operation and maintenance of public buildings, for departments of the State.” In managing a number of capital improvement and renovation projects, the department has developed a standard project timeline that ensures:

- (1) That projects continue to move forward in a predictable manner; and
- (2) The development of professionalism and accountability for the projects for which the department is responsible.

Currently, a number of executive departments have undertaken the responsibility for the engineering of numerous general fund construction and renovation projects, thereby decentralizing engineering activities.

The purpose of this part is to require the auditor to review various departmental engineering sections that manage general fund capital improvement

projects to determine if it serves the public interest to continue to operate duplicative engineering operations among various departments.

SECTION 2. (a) The auditor shall conduct a study that reviews the process, efficiencies, and accountability of various departmental engineering sections, except for those within the department of transportation, that manage general fund capital improvement projects.

The study shall determine:

- (1) If each office adheres to a specific timeline for the purpose of ensuring that the project continues to move forward in a timely manner;
  - (2) Whether consultants and contractors that are used by departmental engineering sections are properly managed in the public interest; and
  - (3) The level of end-user satisfaction with capital improvement projects performed by various departments.
- (b) The auditor shall submit the study, including the auditor's findings and recommendations, and any proposed legislation, to the legislature no later than November 30, 2015.

## PART II

SECTION 3. Section 26-6, Hawaii Revised Statutes, is amended to read as follows:

**“§26-6 Department of accounting and general services.** (a) The department of accounting and general services shall be headed by a single executive to be known as the comptroller.

(b) The department shall:

- (1) Preaudit and conduct after-the-fact audits of the financial accounts of all state departments to determine the legality of expenditures and the accuracy of accounts;
  - (2) Report to the governor and to each regular session of the legislature as to the finances of each department of the State;
  - (3) Administer the state risk management program;
  - (4) Establish and manage motor pools;
  - (5) Manage the preservation and disposal of all records of the State;
  - (6) Undertake the program of centralized engineering and office leasing services, including operation and maintenance and lease buy-back processing pursuant to subsection (d) of public buildings, for departments of the State;
  - (7) Undertake the functions of the state surveyor;
  - (8) Establish accounting and internal control systems;
  - (9) Provide centralized computer information management and processing services, coordination in the use of all information processing equipment, software, facilities, and services in the executive branch of the State, and consultation and support services in the use of information processing and management technologies to improve the efficiency, effectiveness, and productivity of state government programs; and
  - (10) Establish, coordinate, and manage a program to provide a means for public access to public information and develop and operate an information network in conjunction with its overall plans for establishing a communication backbone for state government.
- (c) The state communication system shall be established to:

- (1) Facilitate implementation of the State's distributed information processing and information resource management plans;
- (2) Improve data, voice, and video communications in state government;
- (3) Provide a means for connectivity among the state, university, and county computer systems; and
- (4) Provide a long-term means for public access to public information.

(d) The department shall establish, coordinate, and manage a program to facilitate facility agreements between the State and private investors for the sale of facilities, excluding facilities managed or controlled by the department of transportation, to private investors; provided that each facility agreement contains the following requirements:

- (1) The State shall sell the facility to the private investor, who shall:
  - (A) Renovate, improve, or construct a facility for the State and may maintain the facility; and
  - (B) Lease the facility to the State, pursuant to a building lease;
- (2) The land upon which the facility rests shall not be sold to the private investor; provided that the land may be leased at a nominal rate to the private investor for a term that would, at a minimum, allow the private investor to recover the capital investment that has been made to the facility, including depreciation; and
- (3) The State shall have the option of purchasing the facility from the private investor for the remaining balance of the debt service costs incurred by the private investor at any time.

For purposes of this subsection:

"Building lease" means a contract between the department of accounting and general services and a private investor in which the private investor leases an improved facility to the department for a specified period of time.

"Facility" means a building under the management and control of any state department.

"Facility agreement" means an agreement between the State and a private investor that, at a minimum, includes a description of the work to be done, the sale price for the facility, the duration of the agreement, the roles and responsibilities of the State and the private investor, and the terms and conditions for the lease.

"Private investor" means a nongovernmental entity.

~~[(d)]~~ (e) The department may adopt rules as may be necessary or desirable for the operation and maintenance of public buildings~~[-, and]~~; for the operation and implementation of a program to provide a means for public access to the State's information network system and public information~~[-]; and for the implementation of facility agreements pursuant to subsection (d)~~. The rules shall be adopted pursuant to chapter 91.

~~[(e)]~~ (f) The King Kamehameha celebration commission shall be placed within the department of accounting and general services for administrative purposes. The functions, duties, and powers, subject to the administrative control of the comptroller, and the composition of the commission shall be as heretofore provided by law.

~~[(f)]~~ (g) The functions and authority heretofore exercised by the comptroller, board of commissioners of public archives, the archivist, the disposal committee, and the insurance management, surplus property management, and central purchasing functions of the bureau of the budget and the nonhighway functions of the department of public works as heretofore constituted are transferred to the department of accounting and general services established by this chapter.

~~[(g)]~~ (h) The department of accounting and general services shall preserve and protect Washington Place, including the grounds and the historic residence situated on its premises at Miller and Beretania Streets in Honolulu. The department shall administer, manage, operate, and maintain Washington Place and the trust fund created under subsection ~~[(h)-]~~ (i).

~~[(h)]~~ (i) There is established a trust fund in the state treasury to be known as the Washington Place trust fund, into which shall be deposited:

- (1) All rents and fees collected for the use of Washington Place and from activities conducted on the premises;
- (2) All other money received for the fund from any other source; and
- (3) All income and interest earned or accrued on moneys deposited into the trust fund.

All moneys deposited into the trust fund shall be expended by the department of accounting and general services and used exclusively to implement the provisions of subsection ~~[(g)-]~~ (h), including for staff salaries and fringe benefits, and shall not be transferred, nor subject to transfer, to the general fund or any other fund in the state treasury.”

SECTION 4. (a) The department of accounting and general services shall conduct an inventory of all leases of property between state agencies and private entities.

(b) The department of accounting and general services shall submit a report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2016.

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$250,000 or so much thereof as may be necessary for fiscal year 2015-2016 for the department of accounting and general services to conduct an inventory of all leases of property between state agencies and private entities.

The sum appropriated shall be expended by the department of accounting and general services for the purposes of this part.

### PART III

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 1, 2015.

(Approved June 30, 2015.)

## ACT 178

H.B. NO. 894

A Bill for an Act Relating to the Enhanced 911 Board.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The enhanced 911 board was created to collect and expend funds so that the public safety answering points would be able to install and maintain equipment capable of providing enhanced 911 services. Enhanced 911 services provide the ability for public safety answering points to identify and locate a 911 caller. The board has revenue and expenditures of approximately

\$9,000,000 annually. Since its inception in 2004, the board has had no authority to hire employees and has relied on consultants to sustain its operations. The board seeks to have the option of hiring its own employees to handle administrative functions and intends to use consultants to address technical or industry specific issues that arise to better utilize fiscal resources.

The legislature finds that the board should have the flexibility to employ an executive director who will serve at the pleasure of the board and be exempt from chapters 76 and 89, Hawaii Revised Statutes.

The purpose of this Act is to provide the enhanced 911 board with the authority to hire an executive director and other employees.

SECTION 2. Section 138-2, Hawaii Revised Statutes, is amended by amending subsection (i) to read as follows:

“(i) The board or its chairperson, with the approval of the board, may employ an executive director exempt from chapter 76 and 89, and other staff, and may retain independent, third-party accounting firms, consultants, or other third party to:

- (1) Create reports, make payments into the fund, process checks, and make distributions from the fund, as directed by the board and as allowed by this chapter; and
- (2) Perform administrative duties necessary to administer the fund or oversee operations of the board, including providing technical advisory support; provided that no employee, third-party accounting firm, consultant, or other third party hired to perform these administrative duties may be retained if the employee, accounting firm, consultant, or other third party, either directly or indirectly, has a conflict of interest or is affiliated with the management of or owns a pecuniary interest in any entity subject to the provisions of this chapter.”

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2015.

(Approved June 30, 2015.)

## ACT 179

S.B. NO. 440

A Bill for an Act Relating to Vacancies.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 17-1, Hawaii Revised Statutes, is amended to read as follows:

“**§17-1 United States senator.** When a vacancy occurs in the office of United States senator, the vacancy shall be filled for the unexpired term at the following state general election; provided that the vacancy occurs not later than 4:30 p.m. on the ~~[sixtieth]~~ twenty-first day prior to the ~~[primary for nominating candidates to be voted for at the election;]~~ date specified in section 12-6 for the close of filing nomination papers for regularly scheduled elections; otherwise at the state general election next following. The chief election officer shall issue a proclamation designating the election for filling the vacancy. All candidates for the unexpired term shall file nomination papers not later than the date and time

specified in section 12-6 and shall be nominated and elected in accordance with this title. Pending the election, the governor shall make a temporary appointment to fill the vacancy by selecting a person from a list of three prospective appointees submitted by the same political party as the prior incumbent. The appointee shall serve until the election and qualification of the person duly elected to fill the vacancy and shall be, at the time of appointment, and shall have been, for at least six months immediately prior to the appointment, a member of the same political party as the prior incumbent. The appointee shall be a resident of the State. If the prior incumbent was not a member of any political party, the governor shall appoint a person who is not and has not been, for at least six months immediately prior to the appointment, a member of any political party. ~~[All candidates for the unexpired term shall be nominated and elected in accordance with this title.]~~"

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 30, 2015.)

**ACT 180**

S.B. NO. 1177

A Bill for an Act Relating to the State Foundation on Culture and the Arts.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the mission of the state foundation on culture and the arts is to promote, perpetuate, preserve, and encourage culture and the arts as central to the quality of life and people of Hawaii. The foundation's strategic priorities include increasing public accessibility to arts and culture and managing assets to ensure that the foundation remains strong, sustainable, and capable of achieving its goals. The foundation's major assets include about \$3,000,000 per year in works of art special fund revenues and a collection of nearly six thousand three hundred pieces of artwork.

An audit of the Hawaii state foundation on culture and the arts, Report No. 14-11, was recently completed by the state auditor. The auditor found that the foundation needs to improve its management to ensure the accountability, accessibility, and protection of these resources. Critical to the performance of these duties is adequate staffing.

The purpose of this Act is to address the auditor's findings through the appropriation of moneys to establish four full-time equivalent positions (4.0 FTE) with the Hawaii state foundation on culture and the arts.

SECTION 2. There is appropriated out of the works of art special fund, established pursuant to section 103-8.5, Hawaii Revised Statutes, the sum of \$113,663 or so much thereof as may be necessary for fiscal year 2015-2016 and the sum of \$227,325 or so much thereof as may be necessary for fiscal year 2016-2017 to establish four full-time equivalent positions (4.0 FTE) with the Hawaii state foundation on culture and the arts.

The sums appropriated shall be expended by the department of accounting and general services for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2015.

(Approved June 30, 2015.)

## ACT 181

H.B. NO. 1180

A Bill for an Act Relating to Procurement.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 103D-205, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) For their respective jurisdictions and unless otherwise specifically provided in this chapter, each chief procurement officer shall serve as the central procurement officer for the officer’s respective jurisdiction and:

- (1) Procure or supervise the procurement of all goods, services, and construction;
- (2) Exercise general supervision and control over all inventories of goods;
- (3) Sell, trade, or otherwise dispose of surplus goods; ~~and~~
- (4) Establish and maintain programs for the inspection, testing, and acceptance of goods, services, and construction[-];
- (5) Coordinate with the administrator regarding procurement policies, opportunities for statewide innovation implementation, and concerns; and
- (6) Report procurement contract data pursuant to requirements established by the administrator, in the form and manner prescribed by the state procurement office.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 2015.

(Approved June 30, 2015.)

## ACT 182

H.B. NO. 1292

A Bill for an Act Relating to Procurement.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The procurement task force was established pursuant to Senate Concurrent Resolution No. 92, S.D. 2 (2013), to study the cost impacts that the procurement process has had for public works construction projects as well as the existing bid preferences in relation to promoting economy, efficiency, effectiveness, and impartiality in state and county procurement. The expertise of such a task force is needed to study the issue of past performance to better understand how that information should be used in the procurement process. The purpose of this Act is to work toward increasing transparency and accountability in public contracts by continuing the work of the task force to examine the issue of past performance.

SECTION 2. (a) The comptroller shall continue to convene the procurement task force established pursuant to Senate Concurrent Resolution No. 92, S.D. 2 (2013) to study the cost impacts that the procurement process has had for public works construction projects, and specifically to examine and recommend past performance standards and statewide processes in order to promote



economy, efficiency, effectiveness, and impartiality in procurement for state and county governments.

(b) The comptroller, or the comptroller's designee, shall continue to serve as chair of the task force.

(c) The comptroller shall solicit representatives from the following entities to serve on the task force; provided that those persons designated shall be knowledgeable of procurement procedures and issues within their respective organizations:

- (1) The state procurement office;
- (2) The University of Hawaii;
- (3) The department of education;
- (4) The office of Hawaiian affairs;
- (5) The department of transportation;
- (6) A county procurement department;
- (7) A county board or department of water supply;
- (8) The semi-autonomous public transit agency of the city and county of Honolulu;
- (9) The Subcontractors Association of Hawaii;
- (10) The General Contractors Association of Hawaii;
- (11) The Hawaii Building and Construction Trades Council, AFL-CIO; and
- (12) The Hawaii Construction Alliance.

(d) The task force shall identify and propose amendments, if any, to the state procurement code that may better promote economy, efficiency, effectiveness, and impartiality in the procurement of public works construction projects, specifically regarding statewide past performance standards and processes.

(e) Task force members shall serve without compensation but shall be reimbursed for all necessary expenses, including travel expenses, that are incurred in the performance of their duties as members of the task force.

(f) The task force shall submit a report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2016.

(g) The task force convened pursuant to this Act shall cease to exist on June 30, 2016.

SECTION 3. This Act shall take effect on July 1, 2015.

(Approved June 30, 2015.)

**ACT 183**

H.B. NO. 1366

A Bill for an Act Relating to State Acquisition or Development of Real Property.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that a significant proportion of the State's public employee work force is concentrated in downtown Honolulu. As many state agencies and employees are outgrowing existing office space and aging infrastructure, there is a pressing need for the State to identify and acquire or build additional office space in urban Honolulu to accommodate state governmental agencies and offices.

This Act proposes consideration of an alternative to constructing the Liliha Civic Center through purchase of an office building of a comparable size,

with the cost of acquiring the building at less than one-third that of constructing the Liliha Civic Center.

The purpose of this Act is to appropriate funds to identify, plan, and acquire or build upon real property in urban Honolulu to provide office space for state governmental agencies and offices.

SECTION 2. The governor's office, department of the attorney general, department of land and natural resources, department of accounting and general services, and department of budget and finance may enter into negotiations for the purchase of Ali'i Place; provided that any deal reached within the next two years shall include the continuance of the building's existing property management firm.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$500,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 to pay the costs of the State's due diligence, appraisal, closing costs, consultant services, legal services, and other costs incurred by the department of land and natural resources in connection with the transaction to acquire the leasehold interest in the land identified as TMK (1) 2-1-017-008-0000 and to acquire the building thereon.

The sums appropriated shall be expended by the department of land and natural resources for the purposes of this Act.

SECTION 4. The department of accounting and general services is authorized to perform due diligence in connection with the transaction to acquire the leasehold interest in the land identified as TMK (1) 2-1-017-008-0000.

SECTION 5. The department of land and natural resources, in conjunction with the department of accounting and general services, shall submit a joint report on their progress to the legislature no later than twenty days prior to the convening of the regular session of 2016.

SECTION 6. This Act shall take effect on July 1, 2015.

(Approved June 30, 2015.)

## ACT 184

H.B. NO. 576

A Bill for an Act Relating to the State Affordable Care Act Innovation Waiver.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Act 158, Session Laws of Hawaii 2014, established a state innovation waiver task force to develop a health care reform plan that meets the requirements for obtaining a state innovation waiver that complies with the federal Patient Protection and Affordable Care Act of 2010, Public Law 111-148 (Affordable Care Act). The plan to be developed by the task force for the waiver is expected to build on the success of chapter 393, Hawaii Revised Statutes, the Prepaid Health Care Act. The task force, which is to be dissolved on June 30, 2017, is temporarily attached to the office of the governor for administrative purposes.

In accordance with the terms of the Affordable Care Act, an approvable waiver must include:

- (1) Coverage that is at least as comprehensive as the coverage defined in section 1302(b) of the Affordable Care Act and offered through exchanges;
- (2) Coverage and cost-sharing protections against excessive out-of-pocket spending that are at least as affordable;
- (3) Coverage for at least as many residents; and
- (4) Terms that will not increase the federal deficit.

The major tasks for waiver development include:

- (1) Identification of specific Affordable Care Act provisions that Hawaii seeks to waive;
- (2) Actuarial analysis and actuarial certifications of required comparability;
- (3) An economic analysis of the costs and effect on the federal deficit;
- (4) Development of a ten-year budget;
- (5) Analysis of the impact on health insurance coverage;
- (6) Public hearings; and
- (7) Explicit legislative approval.

The purpose of this Act is to facilitate the development of an Affordable Care Act waiver in a timely manner.

SECTION 2. Act 158, Session Laws of Hawaii 2014, is amended by amending section 2 as follows:

1. By amending subsection (c) to read:

“(c) The task force shall:

- (1) ~~Examine the feasibility of alternative approaches to the health reform requirements described under Section 1332(a)(2) of the federal act;~~
- (2) ~~Examine alternatives to and possible exemptions or waivers from requirements relating to allowable premium rate variations based upon age, as described in Section 1201 of the federal act;~~
- (3) ~~Examine the feasibility of options for providing affordable insurance coverage for uninsured and underinsured individuals in Hawaii through brokers and professional employer organizations that include innovations to the State’s existing medicaid program; and~~
- (4) ~~Develop~~ develop a plan for applying for a state innovation waiver that meets the requirements of Section 1332 of the federal act, including:

- [(A)] (1) Developing a strategy for health care reform that:
  - [(i)] (A) Provides coverage that is at least as comprehensive as required by the federal act;
  - [(ii)] (B) Provides coverage and cost-sharing protections that are at least as affordable as under the federal act;
  - [(iii)] (C) Makes health insurance coverage available to as many residents of Hawaii as under the federal act; and
  - [(iv)] (D) Is budget neutral for the federal government;
- [(B)] (2) Examining the feasibility of options for providing affordable insurance coverage for uninsured and underinsured individuals in Hawaii that include innovations to the State’s existing medicaid program; and
- [(C)] (3) Ensuring compliance with all applicable public notice requirements of title 31 Code of Federal Regulations part 33 and title 45 Code of Federal Regulations part 155, as amended.”

2. By amending subsection (f) to read:

“(f) The task force shall submit an initial interim report to the legislature no later than twenty days prior to the convening of the regular session of 2015. The task force shall submit a second interim report to the legislature no later than twenty days prior to the convening of the regular session of 2016. The interim reports shall include[;]

- (1) ~~Identification]~~ identification of opportunities for state agencies to collaborate on new information technology that will advance the goals of the federal act and state innovation[; ~~and~~
- (2) ~~Recommendations on the allocation of existing moneys available for health reform and innovation, including any proposed legislation].”~~

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2015.

(Approved July 1, 2015.)

## ACT 185

S.B. NO. 359

A Bill for an Act Relating to the Environmental Response, Energy, and Food Security Tax.

*Be It Enacted by the Legislature of the State of Hawaii:*

### PART I

SECTION 1. The legislature finds that, due to Hawaii’s reduced demand for fossil fuels, revenues from the barrel tax have decreased over several years. Such decreases are expected with the increased fuel efficiency of vehicles, use of hybrid and electric vehicles, as well as renewable energy efforts in other sectors of Hawaii’s economy. However, the need to respond to environmental issues has not diminished. In recent years, funding for the programs supported by the environmental response revolving fund have proven to be a challenge, as the revenues it receives from its share of the barrel tax have decreased. The legislature finds that funding environmental protection projects, emergency response cleanups, and other efforts which provide for public health by mitigating environmental health hazards are a critical public service.

The purpose of this part is to ensure ongoing funding for environmental projects, in a transparent and stable manner, by imposing the environmental response, energy, and food security tax on fossil fuel and allocating it to advance Hawaii’s clean energy, food security, and climate change policies.

SECTION 2. Section 243-1, Hawaii Revised Statutes, is amended by amending the definition of “distributor” to read as follows:

““Distributor” means:

- (1) Every person who refines, manufactures, produces, or compounds liquid fuel or fossil fuel in the State and sells or uses the same therein;
- (2) Every person who imports or causes to be imported into the State any liquid fuel or fossil fuel and sells it therein, whether in the original packages or containers in which it is imported or otherwise than in ~~[such]~~ the original packages or containers, or who imports any ~~[such]~~ liquid fuel or fossil fuel for the person’s own use in the State;

- (3) Every person who acquires liquid fuel or fossil fuel from a person not a licensed distributor and sells or uses it, whether in the original package or container in which it was imported (if imported) or otherwise than in ~~[such]~~ the original package or container; and
- (4) Every person who acquires liquid fuel or fossil fuel from a licensed distributor as a wholesaler thereof and sells or uses it.”

SECTION 3. Section 243-3.5, Hawaii Revised Statutes, is amended to read as follows:

**“§243-3.5 Environmental response, energy, and food security tax; uses.**

(a) In addition to any other taxes provided by law, subject to the exemptions set forth in section 243-7, there is hereby imposed a state environmental response, energy, and food security tax on each barrel or fractional part of a barrel of petroleum product sold by a distributor to any retail dealer or end user of petroleum product, other than a refiner. The tax shall be \$1.05 on each barrel or fractional part of a barrel of petroleum product that is not aviation fuel; provided that of the tax collected pursuant to this subsection:

- (1) 5 cents of the tax on each barrel shall be deposited into the environmental response revolving fund established under section 128D-2;
- (2) 15 cents of the tax on each barrel shall be deposited into the energy security special fund established under section 201-12.8;
- (3) 10 cents of the tax on each barrel shall be deposited into the energy systems development special fund established under section ~~[[~~304A-2169.1~~]]~~; and
- (4) 15 cents of the tax on each barrel shall be deposited into the agricultural development and food security special fund established under section 141-10.

The tax imposed by this subsection shall be paid by the distributor of the petroleum product.

(b) In addition to subsection (a), the tax shall also be imposed on each one million British thermal units of fossil fuel sold by a distributor to any retail dealer or end user, other than a refiner, of fossil fuel. The tax shall be 19 cents on each one million British thermal units of fossil fuel; provided that of the tax collected pursuant to this subsection:

- (1) 4.8 per cent of the tax on each one million British thermal units shall be deposited into the environmental response revolving fund established under section 128D-2;
- (2) 14.3 per cent of the tax on each one million British thermal units shall be deposited into the energy security special fund established under section 201-12.8;
- (3) 9.5 per cent of the tax on each one million British thermal units shall be deposited into the energy systems development special fund established under section 304A-2169.1; and
- (4) 14.3 per cent of the tax on each one million British thermal units shall be deposited into the agricultural development and food security special fund established under section 141-10.

The tax imposed by this subsection shall be paid by the distributor of the fossil fuel.

(c) The tax imposed under subsection (b) shall not apply to coal used to fulfill a signed power purchase agreement between an independent power producer and an electric utility that is in effect as of June 30, 2015. An independent power producer shall be permitted to pass the tax imposed under subsection (b) on to an electric utility. In which case, the electric utility may recover the cost of

the tax through an appropriate surcharge to the end user that is approved by the public utilities commission.

(d) A gas utility shall be allowed to recover the cost of the tax imposed under subsection (b) as part of its fuel cost in its fuel adjustment charge without further approval by the public utilities commission.

~~[(b)]~~ (e) Each distributor subject to the tax imposed by subsection (a)~~]~~ or (b), on or before the last day of each calendar month, shall file with the director, on forms prescribed, prepared, and furnished by the director, a return statement of the tax under this section for which the distributor is liable for the preceding month. The form and payment of the tax shall be transmitted to the department of taxation in the appropriate district.

~~[(e)]~~ (f) Notwithstanding section 248-8 to the contrary, the environmental response, energy, and food security tax collected under this section shall be paid over to the director of finance for deposit as provided in subsection (a)~~]~~ or (b), as the case may be.

~~[(d)]~~ (g) Every distributor shall keep in the State and preserve for five years a record in ~~[such]~~ a form as the department of taxation shall prescribe showing the total number of barrels, and the fractional part of barrels, of petroleum product or the total number of one million British thermal units of fossil fuel, as the case may be, sold by the distributor during any calendar month. The record shall show ~~[such]~~ any other data and figures relevant to the enforcement and administration of this chapter as the department may require.

(h) For the purposes of this section:

"Barrel" may be converted to million British thermal units, using the United States Department of Energy, Energy Information Administration annual energy review or annual energy outlook,

"Fossil fuel" means a hydrocarbon deposit, such as coal, natural gas, or liquefied natural gas, derived from the accumulated remains of ancient plants or animals and used for fuel; provided that the term specifically does not include petroleum product."

SECTION 4. Act 73, Session Laws of Hawaii 2010, as amended by Act 107, Session Laws of Hawaii 2014, is amended as follows:

1. By amending section 14 to read:

"SECTION 14. This Act shall take effect on July 1, 2010~~]; provided that sections 2, 3, 4, and 7 of this Act shall be repealed on June 30, 2030, and sections 128D-2, 201-12.8, and 243-3.5, Hawaii Revised Statutes, shall be reenacted in the form in which they read on June 30, 2010.~~"

2. By repealing section 10:

~~"[SECTION 10. Any unexpended or unencumbered funds remaining in the agricultural development and food security special fund established by this Act, as of the close of business on June 30, 2030, shall lapse to the credit of the general fund.]"~~

## PART II

SECTION 5. The purpose of this part is to address the environmental response revolving fund, the primary source of revenues of which is the environmental response, energy, and food security tax.

More specifically, this part:

(1) Authorizes the expenditure of moneys from the environmental response revolving fund to be used for specific purposes;

- (2) Provides for the transfer of excess moneys in the environmental response revolving fund under certain conditions; and
- (3) Repeals the requirement that certain positions be funded by the environmental response revolving fund. The legislature intends that the positions be authorized and funded in accordance with the general appropriations act, as may be amended by the supplemental appropriations act; and
- (4) Requires the director of health to submit reports to the legislature regarding the environmental response revolving fund.

The legislature finds that this part is necessary to better direct and focus the use of the environmental response revolving fund in light of the projected reduction of revenues from the environmental response, energy, and food security tax.

SECTION 6. Section 128D-2, Hawaii Revised Statutes, is amended to read as follows:

**“§128D-2 Environmental response revolving fund; uses.** (a) There is created within the state treasury an environmental response revolving fund, which shall consist of moneys appropriated to the fund by the legislature, moneys paid to the fund as a result of departmental compliance proceedings, moneys paid to the fund pursuant to court-ordered awards or judgments, moneys paid to the fund in court-approved or out-of-court settlements, all interest attributable to investment of money deposited in the fund, moneys deposited in the fund from the environmental response, energy, and food security tax pursuant to section 243-3.5, and moneys allotted to the fund from other sources.

(b) Moneys from the fund shall be expended by the department for ~~[response actions and preparedness, including removal and remedial actions, consistent with this chapter; provided that the revenues generated by the environmental response, energy, and food security tax deposited into the environmental response revolving fund:]~~ the following:

- (1) ~~[Shall be used:~~
  - (A) ~~For oil spill planning, prevention, preparedness, education, research, training, removal, and] Removal, remediation[;], and detection of oil and pollutant or contaminant releases;~~
  - (B) ~~For direct support for county used oil recycling programs; and]~~
- (2) ~~[May also be used to support environmental protection and natural resource protection programs, including energy conservation and alternative energy development, and to address concerns related to air quality, global warming, clean water, polluted runoff, solid and] Removal and remediation of hazardous waste[, drinking water, and underground storage tanks, including support for the underground storage tank program of the department and funding for the acquisition by the State of a soil remediation site and facility.] and any other solid, liquid, or gaseous substance that may harm the environment; and~~

(3) The payment of costs listed under section 128D-4(c).

~~(c) The unexpended and unencumbered moneys in the fund in excess of \$1,250,000 on June 30 of each fiscal year shall be transferred by the director of finance into and become a realization of the general fund on that date.”~~

SECTION 7. Section 128D-2.5, Hawaii Revised Statutes, is amended to read as follows:

~~“[§128D-2.5] Toxicologists. The department may establish permanent exempt positions known as toxicologists for the purpose of assessing human health risk. The positions shall be appointed by the director without regard to chapter 76. [The funds for these positions shall come from the environmental response revolving fund established in section 128D-2.]”~~

SECTION 8. Section 128D-2.6, Hawaii Revised Statutes, is amended to read as follows:

~~“[§128D-2.6] Ecological risk assessor. The department may establish a permanent exempt position for an ecological risk assessor for the purpose of assessing ecological risks and damages. The position shall be appointed by the director without regard to chapter 76. [The funds for this position shall come from the environmental response revolving fund established in section 128D-2; provided that the duties of the ecological risk assessor shall bear a rational nexus to the intent and purposes of [this chapter].]”~~

SECTION 9. (a) The director of health shall submit to the legislature, by February 1, 2016, a report listing the following for the environmental response revolving fund:

- (1) The actual expenditures and encumbrances from July 1, 2015, to December 31, 2015;
- (2) The planned expenditures from January 1, 2016, to June 30, 2016; and
- (3) The contingency amount planned to be held in reserve throughout the fiscal year for expenditure in the event of a major release. For the purpose of this paragraph, “release” means the same as defined under section 128D-1, Hawaii Revised Statutes.

(b) The director of health shall also submit to the legislature, at least twenty days prior to the convening of the regular session of 2017, a report listing the following for the environmental response revolving fund for fiscal year 2015-2016:

- (1) Actual revenues;
- (2) Actual expenditures;
- (3) Unexpended encumbrances as of June 30, 2016, and the dates of encumbrances of the unexpended amounts; and
- (4) The amount, if any, transferred to the general fund on June 30, 2016, pursuant to section 128D-2(c), Hawaii Revised Statutes.

The report shall also specify whether, during fiscal year 2015-2016, the governor increased the ceiling of the revolving fund pursuant to the authority established under section 128D-4(e), Hawaii Revised Statutes.

(c) The reports required under this section shall be in addition to the annual report required under section 128D-13, Hawaii Revised Statutes.

### PART III

SECTION 10. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 11. This Act shall take effect on July 1, 2015.

(Approved July 1, 2015.)



A Bill for an Act Relating to Health.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 281, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§281- Powdered alcohol. (a) No person shall consume, purchase, possess, sell, offer for sale, or otherwise distribute powdered alcohol in the State.

(b) Any person who violates this section shall be guilty of a misdemeanor and upon conviction shall be punished as provided in section 281-102.

(c) As used in this section, “powdered alcohol” means a powdered or crystalline substance that contains any amount of alcohol for either direct use or reconstitution.

(d) This section does not apply to the use of powdered alcohol for legal commercial uses or bona fide research purposes by:

- (1) A health care provider who uses powdered alcohol for the purpose of conducting scientific research;
- (2) A state institution;
- (3) The University of Hawaii, or other accredited educational or research institution; or
- (4) A pharmaceutical or biotechnology company.”

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. New statutory material is underscored.<sup>1</sup>

SECTION 4. This Act shall take effect upon its approval.

(Approved July 1, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

A Bill for an Act Relating to Wastewater.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that similar to the situation in Tuvalu, the current flush and septic systems in certain areas of Hawaii are ill-suited due to geographic challenges and scarce water supplies. One such area is Kaloko-Honokohau National Historic Park in Hawaii county. The site presents formidable engineering challenges such as proximity to the ocean, hard volcanic rock, and groundwater just two feet below the surface. To address sewage needs, park officials installed two odorless, zero-discharge composting toilets in an attractive, prefabricated building that features a low-gradient ramp to provide handicapped

access. Prior to the installation of the composting toilets, there were no public toilets for visitors to the park, and the beach was strewn with human feces.

The legislature further finds that composting toilets use no water and produce compost that can be used to enrich the soil. Over time, in the presence of oxygen, heat, and moisture, biochemical processes convert the waste to stabilized compost. Pathogens are nearly eliminated, and the volume of organic material is reduced by ninety per cent or more.

The purpose of this Act is to address the lack of waste disposal systems throughout the State by authorizing the counties to approve the installation and use of composting toilets in areas that are inaccessible to municipal wastewater systems, thereby benefiting the people living in those communities and the health and welfare of the State as a whole.

SECTION 2. Section 27-21.6, Hawaii Revised Statutes, is amended to read as follows:

**“§27-21.6 Functions reassigned to the counties.** The following functions are hereby reassigned to the several counties:

- (1) The medical care of inmates of county jails;
- (2) The rendering of medical investigatory services requested by the police;
- (3) Physical examinations of employees to the extent that such functions had been performed immediately prior to the adoption of Act 97, Session Laws of Hawaii 1965;
- (4) The care and treatment of county workers' compensation cases to the extent that such functions had been performed immediately prior to the adoption of Act 97, Session Laws of Hawaii 1965; and
- (5) The regulation of the design, construction, and operation of individual wastewater systems and private wastewater treatment works[-]; provided that [the]:

(A) The transfer of this function to each county shall take place on the date that the expenditure of start-up funds is made by the State to such county for this purpose[-]; and

(B) The counties may approve the installation and use of composting toilets in areas that are inaccessible to municipal wastewater systems. As used in this subparagraph, “composting toilet” means a toilet that uses no water or very little water and uses natural processes to treat waste.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved July 1, 2015.)

**ACT 188**

S.B. NO. 964

A Bill for an Act Relating to Aging.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the kupuna care program was enacted in 1999 to address the needs of Hawaii's aging population and the issues

arising from those needs. The kupuna care program is considered to be an alternative to traditional long-term care options. The goal of kupuna care is to enable Hawaii seniors to lead independent, meaningful, and dignified lives in their own homes and communities. The legislature further finds that the kupuna care program provides access to affordable and quality home- and community-based services, including hot meals, transportation, case management, and personal care assistance. Services offered by the kupuna care program provide a safety net for all kupuna and their caregivers.

The purpose of this Act is to provide funding to support the State's kupuna care program.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$3,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 for the kupuna care program; provided that the sum appropriated shall be in addition to the base budget of the executive office on aging.

The sum appropriated shall be expended by the department of health for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2015.

(Approved July 1, 2015.)

**ACT 189**

S.B. NO. 1049

A Bill for an Act Relating to Electronic Waste Recycling.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 339D-4, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) By June 1, 2009, and annually thereafter, each electronic device manufacturer shall submit a plan to the department to establish, conduct, and manage a program for the collection, transportation, and recycling of its covered electronic devices sold in the State, which shall be subject to the following conditions:

- (1) The plan shall not permit the charging of a fee at the point of recycling if the covered electronic device is brought by the covered electronic device owner to a central location for recycling; provided that the plan may include a reasonable transportation fee if the electronic device manufacturer or electronic device manufacturer's agent removes the covered electronic device from the owner's premises at the owner's request and if the removal is not in conjunction with delivery of a new electronic device to the owner; ~~and~~
- (2) Any plan that exclusively provides a mail-back option for the collection, transportation, and recycling of an electronic device manufacturer's covered electronic devices sold in the State, shall not be approved by the department;
- (3) An electronic device manufacturer of exclusively mobile covered electronic devices whose products are voluntarily accepted at no charge by at least fifty retail locations in the State may submit a recycling plan to the department that documents these locations to satisfy the requirements of this subsection; and

- [(2)] (4) Each electronic device manufacturer may develop its own recycling program or may collaborate with other electronic device manufacturers, so long as the program is implemented and fully operational no later than January 1, 2010.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect on January 1, 2016.

(Approved July 1, 2015.)

## ACT 190

S.B. NO. 1113

A Bill for an Act Relating to Background Checks.

*Be It Enacted by the Legislature of the State of Hawaii:*

### PART I

SECTION 1. Section 321-15.2, Hawaii Revised Statutes, is amended to read as follows:

“~~§321-15.2 [Criminal history record checks.]~~ Background checks. (a) For the purposes of this section:

“Adults” means individuals aged eighteen years or older.

“Applicant” means a person or entity seeking licensure or certification to operate a healthcare facility. If the applicant is an entity, the term “applicant” shall also include its principals, directors, partners, managers, agents, and representatives to the extent that any of these individuals will have access to or contact with clients, their finances, assets, personal property, medical records, or individually identifiable information.

“Background check” means a review of records stored in state or national record repositories for history of abuse, neglect, threatened harm, or other maltreatment against children or adults, and for any criminal history, including:

- (1) Adult abuse perpetrator records by means of a search of the individual’s name and birth date in the state adult protective services central registry of reported cases established in section 346-224;
- (2) Child abuse and neglect records by means of:
  - (A) An initial name inquiry in the state child welfare record files;
  - (B) A subsequent child abuse confirmation history check for new hires and rehires; and
  - (C) An annual name inquiry into state child welfare record files;
- (3) Criminal history records in accordance with section 846-2.7;
- (4) Sex offender registry records;
- (5) Certified nurse aide registry for information or findings pursuant to section 457A-3; and
- (6) Adult abuse perpetrator records, child abuse and neglect records, criminal history records, sex offender registry records, and certified nurse aide registry records of another state where a prospective employee or adult volunteer previously resided.

“Conviction for a relevant crime” means any federal or state conviction for any relevant crime as defined in this section.

“Criminal history record name inquiry” means a record check by name for any federal or state conviction for any relevant crime as defined in this section.

“Department” means the department of health.

“Direct patient access employee” means any individual, including a volunteer, who has access to a patient or resident of a healthcare facility, or any provider through employment or through an agreement or contract with such a facility or provider. Such individuals include but are not limited to: physicians, nurses, nursing assistants, home health aides, therapists, activities personnel, and support staff (i.e., housekeeping, dietary, etc.) who have direct access to patients or patient belongings.

“Disqualifying information” means a conviction for a relevant crime or a finding of patient or resident abuse.

“Healthcare facility” means a facility ~~[or]~~, setting ~~[where a frail, elderly, or disabled adult receives care]~~, or agency licensed or certified by the department of health that provides mental health or health care services or [is provided] living accommodations to individuals, such as a skilled nursing facility, intermediate care facility, adult residential care home, expanded adult residential care home, assisted living facility, home health agency, home care agency, hospice, adult day health center, special treatment facility, therapeutic living program, intermediate care facility for individuals with intellectual disabilities, hospital, rural health center, community care foster family home, home and community-based case management agency, adult day care center, developmental disabilities domiciliary home, adult foster home for individuals with developmental disabilities, community mental health center, and rehabilitation agency.

“Name inquiry” means a criminal history record check conducted by using the name and other identifying information of the individual, in lieu of a fingerprint check.

“Operator” means an individual or entity that is licensed or is seeking licensure to operate a healthcare facility and is responsible for the management and overall operations of that healthcare facility.

“Relevant crime” means:

- (1) Any offense described in 42 United States Code §1320a-7 (section 1128(a) of the Social Security Act); or
  - (2) A crime of such a serious nature or circumstance that the department finds its perpetrator to pose a risk to the health, safety, or well-being of a patient or resident. This includes but is not limited to murder, manslaughter, assault, sex offenses, domestic violence, theft or forgery, arson, kidnapping, or possession, use, sale, manufacture, or distribution of dangerous drugs or controlled substances.
- (b) The department shall adopt rules pursuant to chapter 91 to ensure the reputable and responsible character of all prospective applicants, operators, direct patient access employees, and adult volunteers of a healthcare facility, and, in the case of any healthcare facility operated in a private residence, all adults living in the home other than the clients. These rules, among other things, shall specify how the department or ~~[the department’s]~~ its designee may conduct ~~[criminal history record checks in accordance with section 846-2.7.]~~ background checks in accordance with this section.
- (c) All applicants and prospective operators shall:
- (1) Be subject to ~~[criminal history record checks in accordance with section 846-2.7;]~~
  - (2) ~~Authorize the disclosure to the department or the department’s designee of criminal history record information;~~

- (3) ~~Sign a waiver form stating that the department or the department's designee shall not be liable to the applicant or prospective operator; and~~
- (4) ~~Consent to be fingerprinted for the purpose of requesting criminal history record information from the Federal Bureau of Investigation and the Hawaii criminal justice data center.] background checks; and~~
- (2) Provide consent to the department or its designee to conduct background checks.
- (d) All prospective direct patient access employees and adult volunteers of healthcare facilities and, in the case of any healthcare facility operated in a private residence, all adults living in the home other than the clients shall:
- ~~(1) Consent to be fingerprinted;~~
- ~~(2) Provide all necessary information for the purpose of enabling the department or the department's designee to conduct the criminal history record checks; and~~
- ~~(3) Sign a waiver form stating that the department or the department's designee shall not be liable to the employee or volunteer.]~~
- (1) Be subject to background checks in accordance with this section; and
- (2) Provide consent to the department or its designee to conduct background checks.
- (e) ~~[The department or the department's designee may request criminal history record information which includes Federal Bureau of Investigation data through the Hawaii criminal justice data center on all prospective applicants, operators, direct patient access employees, and adult volunteers of healthcare facilities. In addition, in the case of any healthcare facility to be operated in a private residence, the department of health or the department's designee may request criminal history record information which includes Federal Bureau of Investigation data through the Hawaii criminal justice data center for all adults residing in the home who are not clients.] The department or its designee shall obtain background check information in accordance with this section from an applicant or operator, on the applicant or operator, and on any prospective employees of the applicant or operator including any new employee retained after the applicant is issued a license or certificate under this part, which shall include an annual name inquiry into state criminal history record files.~~
- ~~(f) [The department or the department's designee shall make a name inquiry into the criminal history records or conduct criminal history record checks of all prospective applicants, operators, direct patient access employees, and adult volunteers at the healthcare facility, and, in the case of any healthcare facility operated in a private residence, all adults living in the home other than the clients.~~
- (g) The department may revoke or suspend a current license[, or certificate, impose penalties or fines, or deny an application for a license or certificate under rules adopted pursuant to chapter 91 if the applicant, operator, employee, or adult volunteer at the healthcare facility or, in the case of any healthcare facility operated in a private residence, any adult living in the home other than the client], refuses to authorize the department or the department's designee to conduct a criminal history record check, obtain criminal history record information for verification, or consent to be fingerprinted. In addition, the department may revoke or suspend a current license, impose penalties or fines, or deny an application for a license if the applicant, operator, direct patient access employee, or adult volunteer at the healthcare facility, or, in the case of a healthcare facility operated in a private residence, any adult living in the home other than the

client, has any disqualifying information. The department may also revoke or suspend a current license, impose penalties or fines, or deny an application for a license if the department determines, based upon consideration of the criminal history information, that the applicant, operator, direct patient access employee, or adult volunteer at the healthcare facility, or, in the case of a healthcare facility operated in a private residence, any adult living in the home other than the client, is unsuitable to work or live in close proximity to the residents of the healthcare facility such that the health, safety, and welfare of the residents of the healthcare facility could be at risk.]:

- (1) Refuses to authorize the department or its designee to conduct a background check, refuses to authorize the department or its designee to obtain background check record information for verification, or refuses consent to be fingerprinted;
- (2) Refuses or fails to submit to the department or its designee information required to perform a background check;
- (3) Has any disqualifying information; or
- (4) Has any background check information that the department finds may pose a risk to the health, safety, or welfare of the residents or patients of the health care facility.

~~(h)~~ Notwithstanding any other law to the contrary, for purposes of this section, the department shall be exempt from section 831-3.1 and need not conduct investigations, notifications, or hearings under this section in accordance with chapter 91.

~~(i)~~ (g) The fee charged by the Federal Bureau of Investigation and the Hawaii criminal justice data center to perform criminal history record checks may be passed on to all applicants, operators, direct patient access employees, and adult volunteers at the healthcare facility and, in the case of a facility operated in a private residence, all adults living in the home other than the clients.

~~(j)~~ The department, or the department's designee, in obtaining and relying upon the criminal history record checks, is presumed to be acting in good faith and shall be immune from civil liability for taking or recommending action based upon the criminal history record information. The good faith presumption may be rebutted upon a showing by the person or entity of a lack of good faith, and proof by a preponderance of the evidence, that the department relied upon information or opinion that it knew was false or misleading.

~~(k)~~ (h) The department or its designee, in obtaining and relying upon the background check information, is presumed to be acting in good faith and shall be immune from civil liability for taking or recommending action based upon the background check information. The presumption of good faith may be rebutted upon a showing of proof by a preponderance of the evidence that the department or its designee relied upon information or opinion that it knew was false or misleading or that such reliance was not reasonable.

(i) Any applicant or operator who receives information from the department or ~~[the department's]~~ its designee relating to a ~~[criminal history record]~~ background check of a direct patient access employee or adult volunteer or, in the case of a healthcare facility operated in a private residence, an adult living in the home other than the clients, is presumed to be acting in good faith and shall be immune from civil liability for reasonably taking or recommending action based upon the department's recommendation or direction. Nothing in this section shall affect rights, obligations, remedies, liabilities, or standards of proof under chapters 368 and 378.

~~[Criminal history]~~ Background check record information shall be used exclusively by the department or ~~[the department's]~~ its designee for the sole purpose of determining whether an applicant, operator, direct patient access employee,

or adult volunteer at a healthcare facility, or, in the case of a facility operated in a private residence, any adult living in the home other than the clients is suitable for working or living in close proximity to residents of a healthcare facility such that the health, safety, and welfare of the residents would not be at risk.”

SECTION 2. Section 321-171.5, Hawaii Revised Statutes, is amended to read as follows:

**“§321-171.5 Employees of the department of health, its providers and subcontractors; ~~criminal history~~ background checks.** (a) The department of health shall develop procedures for obtaining verifiable background check information regarding ~~[the criminal history of]~~ persons who are seeking employment, or seeking to serve as providers or subcontractors, in positions that place them in direct contact with adult, child, or youth clients when providing non-witnessed direct mental health or health care services. These procedures shall include but not be limited to ~~[criminal history record checks in accordance with section 846-2.7.]~~ background checks as defined in section 321-15.2.

(b) Except as otherwise specified, any person who seeks employment with the department of health, or who is employed or seeks employment with a provider or subcontractor in a position that necessitates non-witnessed direct contact with clients when providing non-witnessed direct mental health or health care services, shall:

- (1) Be subject to ~~[criminal history record]~~ background checks in accordance with section ~~[846-2.7; and]~~ 321-15.2;
- (2) Authorize the disclosure to the department or its designee of background check information; and
- ~~[(2)]~~ (3) Provide to the department of health or ~~[the department's]~~ its designee written consent for the department or ~~[the department's]~~ its designee to obtain ~~[criminal history record]~~ background check information for verification.

Information obtained pursuant to subsection (a) and this subsection shall be used exclusively by the department of health for purposes of determining whether a person is suitable for working in a position that necessitates non-witnessed direct contact with clients when providing non-witnessed direct mental health or health care services. All such decisions shall be subject to federal laws and regulations currently or hereafter in effect.

(c) The department of health may refuse to employ or may terminate the employment of any employee or applicant for employment if ~~[the person];~~

- (1) The person refuses to authorize the department or its designee to conduct a background check;
- (2) The person refuses or fails to submit to the department or its designee information required to conduct a background check;
- (3) The person has been convicted of an offense for which incarceration is a sentencing option~~[-, and if the];~~ or
- (4) The department of health finds by reason of the nature and circumstances of the ~~[crime]~~ background check information that the person poses a risk to the health, safety, or well-being of clients receiving non-witnessed direct mental health or health care services. Such refusal or termination may occur only after appropriate investigation, notification of results and planned action, and opportunity to meet and rebut the finding, all of which need not be conducted in accordance with chapter 91. Nothing in this subsection shall abrogate any applicable appeal rights under chapter 76 or 89.



(d) This section shall not be used by the department of health or ~~[the department's]~~ its designee to secure ~~[criminal history record]~~ background checks on persons who have been employed continuously on a salaried basis prior to July 1, ~~[2000.]~~ 2015.

(e) Nothing in this section shall prohibit ~~[criminal history record]~~ background checks on employees of all providers and subcontractors.

(f) The department or its designee, in obtaining and relying upon the background check information, shall be presumed to be acting in good faith and shall be immune from civil liability for taking or recommending action based upon the background check information. The presumption of good faith may be rebutted upon a showing of proof by a preponderance of the evidence that the department or its designee relied upon information or opinion that it knew was false or misleading or that such reliance was not reasonable.

~~(f)~~ (g) For purposes of this section:

“Provider” means any organization or individual that intends to enter into a contract with or is currently contracted by the department of health to provide direct mental health or health care services to the department’s eligible clients.

“Subcontractor” means any organization or individual that enters into a contract or agreement with a provider to provide direct mental health or health care services to the department’s eligible clients.

~~(g)~~ (h) Notwithstanding any other law to the contrary, the department of health shall be exempt from section 831-3.1 for purposes of this section and need not conduct investigations, notifications, or hearings under this section in accordance with chapter 91.”

SECTION 3. Section 846-2.7, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Criminal history record checks may be conducted by:

- (1) The department of health or ~~[the department's]~~ its designee on operators of adult foster homes for individuals with developmental disabilities or developmental disabilities domiciliary homes and their employees, as provided by section ~~[333F-22;]~~ 321-15.2;
- (2) The department of health or ~~[the department's]~~ its designee on prospective employees, persons seeking to serve as providers, or subcontractors in positions that place them in direct contact with clients when providing non-witnessed direct mental health or health care services as provided by section 321-171.5;
- (3) The department of health or ~~[the department's]~~ its designee on all applicants for licensure or certification for, operators for, prospective employees, ~~[and] adult volunteers, and all adults, except adults in care, at [one or more of the following: skilled nursing facility, intermediate care facility, adult residential care home, expanded adult residential care home, assisted living facility, home health agency, hospice, adult day health center, special treatment facility, therapeutic living program, intermediate care facility for individuals with intellectual disabilities, hospital, rural health center and rehabilitation agency, and, in the case of any of the above facilities operating in a private residence, on any adult living in the facility other than the client as provided by section 321-15.2;]~~ health care facilities as defined in section 321-15.2;
- (4) The department of education on employees, prospective employees, and teacher trainees in any public school in positions that necessitate close proximity to children as provided by section 302A-601.5;

- (5) The counties on employees and prospective employees who may be in positions that place them in close proximity to children in recreation or child care programs and services;
- (6) The county liquor commissions on applicants for liquor licenses as provided by section 281-53.5;
- (7) The county liquor commissions on employees and prospective employees involved in liquor administration, law enforcement, and liquor control investigations;
- (8) The department of human services on operators and employees of child caring institutions, child placing organizations, and foster boarding homes as provided by section 346-17;
- (9) The department of human services on prospective adoptive parents as established under section 346-19.7;
- (10) The department of human services on applicants to operate child care facilities, prospective employees of the applicant, and new employees of the provider after registration or licensure as provided by section 346-154;
- (11) The department of human services on persons exempt pursuant to section 346-152 to be eligible to provide child care and receive child care subsidies as provided by section 346-152.5;
- (12) The department of health on operators and employees of home and community-based case management agencies and operators and other adults, except for adults in care, residing in community care foster family homes as provided by section ~~[321-484;]~~ 321-15.2;
- (13) The department of human services on staff members of the Hawaii youth correctional facility as provided by section 352-5.5;
- (14) The department of human services on employees, prospective employees, and volunteers of contracted providers and subcontractors in positions that place them in close proximity to youth when providing services on behalf of the office or the Hawaii youth correctional facility as provided by section 352D-4.3;
- (15) The judiciary on employees and applicants at detention and shelter facilities as provided by section 571-34;
- (16) The department of public safety on employees and prospective employees who are directly involved with the treatment and care of persons committed to a correctional facility or who possess police powers including the power of arrest as provided by section 353C-5;
- (17) The board of private detectives and guards on applicants for private detective or private guard licensure as provided by section 463-9;
- (18) Private schools and designated organizations on employees and prospective employees who may be in positions that necessitate close proximity to children; provided that private schools and designated organizations receive only indications of the states from which the national criminal history record information was provided pursuant to section 302C-1;
- (19) The public library system on employees and prospective employees whose positions place them in close proximity to children as provided by section 302A-601.5;
- (20) The State or any of its branches, political subdivisions, or agencies on applicants and employees holding a position that has the same type of contact with children, vulnerable adults, or persons committed to a correctional facility as other public employees who hold positions that are authorized by law to require criminal history record checks as a condition of employment as provided by section 78-2.7;

- (21) The department of health on licensed adult day care center operators, employees, new employees, subcontracted service providers and their employees, and adult volunteers as provided by section ~~[321-496;]~~ 321-15.2;
- (22) The department of human services on purchase of service contracted and subcontracted service providers and their employees serving clients of the ~~[adult protective and community services branch]~~, as provided by section 346-97;
- (23) The department of human services on foster grandparent program, senior companion program, and respite companion program participants as provided by section 346-97;
- (24) The department of human services on contracted and subcontracted service providers and their current and prospective employees that provide home and community-based services under section 1915(c) of the Social Security Act, title 42 United States Code section 1396n(c), or under any other applicable section or sections of the Social Security Act for the purposes of providing home and community-based services, as provided by section 346-97;
- (25) The department of commerce and consumer affairs on proposed directors and executive officers of a bank, savings bank, savings and loan association, trust company, and depository financial services loan company as provided by section 412:3-201;
- (26) The department of commerce and consumer affairs on proposed directors and executive officers of a nondepository financial services loan company as provided by section 412:3-301;
- (27) The department of commerce and consumer affairs on the original chartering applicants and proposed executive officers of a credit union as provided by section 412:10-103;
- (28) The department of commerce and consumer affairs on:
  - (A) Each principal of every non-corporate applicant for a money transmitter license; and
  - (B) The executive officers, key shareholders, and managers in charge of a money transmitter's activities of every corporate applicant for a money transmitter license,
 as provided by sections 489D-9 and 489D-15;
- (29) The department of commerce and consumer affairs on applicants for licensure and persons licensed under title 24;
- (30) The Hawaii health systems corporation on:
  - (A) Employees;
  - (B) Applicants seeking employment;
  - (C) Current or prospective members of the corporation board or regional system board; or
  - (D) Current or prospective volunteers, providers, or contractors, in any of the corporation's health facilities as provided by section 323F-5.5;
- (31) The department of commerce and consumer affairs on:
  - (A) An applicant for a mortgage loan originator license; and
  - (B) Each control person, executive officer, director, general partner, and manager of an applicant for a mortgage loan originator company license,
 as provided by chapter 454F;
- (32) The state public charter school commission or public charter schools on employees, teacher trainees, prospective employees, and prospective teacher trainees in any public charter school for any po-

- sition that places them in close proximity to children, as provided in section 302D-33;
- (33) The counties on prospective employees who work with children, vulnerable adults, or senior citizens in community-based programs;
  - (34) The counties on prospective employees for fire department positions which involve contact with children or vulnerable adults;
  - (35) The counties on prospective employees for emergency medical services positions which involve contact with children or vulnerable adults;
  - (36) The counties on prospective employees for emergency management positions and community volunteers whose responsibilities involve planning and executing homeland security measures including viewing, handling, and engaging in law enforcement or classified meetings and assisting vulnerable citizens during emergencies or crises;
  - (37) The State and counties on employees, prospective employees, volunteers, and contractors whose position responsibilities require unescorted access to secured areas and equipment related to a traffic management center;
  - (38) The State and counties on employees and prospective employees whose positions involve the handling or use of firearms for other than law enforcement purposes;
  - (39) The State and counties on current and prospective systems analysts and others involved in an agency's information technology operation whose position responsibilities provide them with access to proprietary, confidential, or sensitive information;
  - [(40)] The department of commerce and consumer affairs on applicants for real estate appraiser licensure or certification as provided by chapter 466K; and
  - [(41)] Any other organization, entity, or the State, its branches, political subdivisions, or agencies as may be authorized by state law."

## PART II

SECTION 4. Section 321-482, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) As a condition for obtaining a license, a person, agency, or organization shall comply with rules adopted under subsection (b)(1), (2), and (3), and satisfy the background check requirements under section [~~321-484.~~] 321-15.2. The department may deny a license if:

- (1) An operator, employee, or new employee of the home and community-based case management agency has been convicted of a crime other than a minor traffic violation involving a fine of \$50 or less;
- (2) The department finds that the [~~criminal history~~] background check record of an operator, employee, or new employee poses a risk to the health, safety, or well-being of adults receiving care in community care foster family homes, expanded adult residential care homes, or assisted living facilities;
- (3) An operator, employee, or new employee of the home and community-based case management agency is a perpetrator of abuse as defined in section 346-222; or
- (4) The holder of or an applicant for a home and community-based case management agency license, or one of its employees, has a certificate of approval to operate a community care foster family home, or a license from the department to operate an adult residential

care home, expanded adult residential care home, or assisted living facility.”

SECTION 5. Section 321-483, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) As a condition for obtaining a certificate of approval, community care foster family homes shall comply with rules adopted under subsection (b) and satisfy the background check requirements under section [~~321-484;~~] 321-15.2. The department or its designee may deny a certificate of approval if:

- (1) An operator or other adult residing in the community care foster family home, except for adults receiving care, has been convicted of a crime other than a minor traffic violation involving a fine of \$50 or less;
- (2) The department or its designee finds that the [~~criminal history~~] background check record of an operator or other adult residing in the home, except for adults receiving care, poses a risk to the health, safety, or well-being of adults in care; or
- (3) An operator or other adult residing in the community care foster family home, except for adults receiving care, is a perpetrator of abuse as defined in section 346-222.”

SECTION 6. Section 333F-1, Hawaii Revised Statutes, is amended by amending the definition of “existing provider” to read as follows:

““Existing provider” means every person licensed or certified as an adult foster or developmental disabilities domiciliary home provider before the effective date [~~May 6, 1994]~~ of section [~~333F-22;~~] 321-15.2.”

SECTION 7. Section 378-2.5, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

“(d) Notwithstanding subsections (b) and (c), the requirement that inquiry into and consideration of a prospective employee’s conviction record may take place only after the individual has received a conditional job offer, and the limitation to the most recent ten-year period, excluding the period of incarceration, shall not apply to employers who are expressly permitted to inquire into an individual’s criminal history for employment purposes pursuant to any federal or state law other than subsection (a), including:

- (1) The State or any of its branches, political subdivisions, or agencies pursuant to sections 78-2.7 and 831-3.1;
- (2) The department of education pursuant to section 302A-601.5;
- (3) The department of health with respect to employees, providers, or subcontractors in positions that place them in direct contact with clients when providing non-witnessed direct mental health services pursuant to section 321-171.5;
- (4) The judiciary pursuant to section 571-34;
- (5) The counties pursuant to section 846-2.7(b)(5), (33), (34), (35), (36), and (38);
- (6) Armed security services pursuant to section 261-17(b);
- (7) Providers of a developmental disabilities domiciliary home pursuant to section [~~333F-22;~~] 321-15.2;
- (8) Private schools pursuant to sections 302C-1 and 378-3(8);
- (9) Financial institutions in which deposits are insured by a federal agency having jurisdiction over the financial institution pursuant to section 378-3(9);

- (10) Detective agencies and security guard agencies pursuant to sections 463-6(b) and 463-8(b);
- (11) Employers in the business of insurance pursuant to section 431:2-201.3;
- (12) Employers of individuals or supervisors of individuals responsible for screening passengers or property under title 49 United States Code section 44901 or individuals with unescorted access to an aircraft of an air carrier or foreign carrier or in a secured area of an airport in the United States pursuant to title 49 United States Code section 44936(a);
- (13) The department of human services pursuant to sections 346-97 and 352-5.5;
- (14) The public library system pursuant to section 302A-601.5;
- (15) The department of public safety pursuant to section 353C-5;
- (16) The board of directors of a cooperative housing corporation or the manager of a cooperative housing project pursuant to section 421I-12;
- (17) The board of directors of an association of owners under chapter 514A or 514B, or the manager of a condominium project pursuant to section 514A-82.1 or 514B-133; and
- (18) The department of health pursuant to section 321-15.2.”

### PART III

SECTION 8. Section 321-484, Hawaii Revised Statutes, is repealed.

SECTION 9. Section 321-496, Hawaii Revised Statutes, is repealed.

SECTION 10. Section 333F-22, Hawaii Revised Statutes, is repealed.

### PART IV

SECTION 11. Statutory material to be repealed is bracketed and stricken.<sup>1</sup> New statutory material is underscored.

SECTION 12. This Act shall take effect on July 1, 2015; provided that the amendments made to the definition of “healthcare facility” under section 321-15.2(a), Hawaii Revised Statutes, by section 1 of this Act shall not be repealed when that definition is reenacted on June 30, 2019, pursuant to section 8 of Act 21, Special Session Laws of Hawaii 2009, as amended by section 2 of Act 125, Session Laws of Hawaii 2014.

(Approved July 1, 2015.)

#### Note

1. Edited pursuant to HRS §23G-16.5.

## ACT 191

S.B. NO. 64

A Bill for an Act Relating to Human Services.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. There is appropriated out of the general revenues of the State of Hawaii the sum of \$6,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 for subsidies for the preschool open doors program.

ACT 192

The sum appropriated shall be expended by the department of human services for the purposes of this Act.

SECTION 2. This Act shall take effect on July 1, 2015.

(Approved July 1, 2015.)

ACT 192

H.B. NO. 436

A Bill for an Act Relating to Emergency Vehicles.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to require approaching vehicles to slow and change lanes when nearing certain emergency vehicles that are stopped for official duties, by amending the definition of "emergency vehicle" in the statewide traffic code to include these vehicles.

SECTION 2. Section 291C-27, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) As used in this section, "emergency vehicle" means a police or fire department vehicle, ocean safety vehicle, emergency medical services vehicle, freeway service patrol vehicle, sheriff division vehicle, Hawaii emergency management agency vehicle, county emergency management vehicle, civil defense vehicle, department of transportation harbors division vehicle, department of land and natural resources division of conservation and resources enforcement vehicle, or a tow truck."

SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 4. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.

(Approved July 1, 2015.)

ACT 193

S.B. NO. 211

A Bill for an Act Relating to Forensic Identification.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 844D-111, Hawaii Revised Statutes, is amended to read as follows:

**"§844D-111 Refusal or failure to provide specimen for forensic identification.** (a) A person commits the offense of refusal or failure to provide specimen for forensic identification if the person is required by this chapter to provide any blood specimens, buccal swab samples, or print impressions and intentionally [øf], knowingly, or recklessly refuses or fails to provide any of the required blood specimens, buccal swab samples, or print impressions after the person has

received written notice from the department, the department of public safety, any law enforcement personnel, or officer of the court that the person is required to provide each and every one of the blood specimens, buccal swab samples, and print impressions required by this chapter.

(b) ~~[Any]~~ A person who intentionally or knowingly fails to comply with this section shall be guilty of a misdemeanor. A person who ~~negligently or~~ recklessly fails to comply with this section shall be guilty of a petty misdemeanor.

(c) For purposes of this section, "intentionally", "knowingly", and "recklessly" shall have the same meanings as in section 702-206."

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved July 1, 2015.)

## ACT 194

S.B. NO. 213

A Bill for an Act Relating to the Hawaii Penal Code.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 706-668.5, Hawaii Revised Statutes, is amended to read as follows:

**"§706-668.5 Multiple sentence of imprisonment.** (1) If multiple terms of imprisonment are imposed on a defendant, whether at the same time or at different times, or if a term of imprisonment is imposed on a defendant who is already subject to an unexpired term of imprisonment, the terms may run concurrently or consecutively. Multiple terms of imprisonment run concurrently unless the court orders or the statute mandates that the terms run consecutively.

(2) The court, in determining whether the terms imposed are to be ordered to run concurrently or consecutively, shall consider the factors set forth in section 706-606.

(3) For terms of imprisonment imposed prior to June 18, 2008, the department of public safety shall post written notice in all inmate housing units and the facility library at each correctional facility for a period of two months and send written notice to the defendant no later than January 1, 2016, that shall include but not be limited to:

- (a) Notice that the department of public safety may recalculate the multiple terms of imprisonment imposed on the defendant; and
- (b) Notice of the defendant's right to have the court review the defendant's sentence."

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 2015.

(Approved July 1, 2015.)



A Bill for an Act Relating to the Uniform Controlled Substances Act.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 329-14, Hawaii Revised Statutes, is amended by amending subsections (f) and (g) to read as follows:

"(f) Stimulants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a stimulant effect on the central nervous system, including its salts, isomers, and salts of isomers:

- (1) Aminorex;
- (2) Cathinone;
- (3) Fenethylamine;
- (4) Methcathinone;
- (5) N-ethylamphetamine;
- (6) 4-methylaminorex;
- (7) N,N-dimethylamphetamine; and
- (8) Substituted cathinones, any compound, except bupropion or compounds listed under a different schedule, structurally derived from 2-aminopropan-1-one by substitution at the 1-position with either phenyl, naphthyl, or thiophene ring systems, whether or not the compound is further modified in any of the following ways:
  - (A) By substitution in the ring system to any extent with alkyl, alkylendioxy, alkoxy, haloalkyl, hydroxyl, or halide substituents, whether or not further substituted in the ring system by one or more other univalent substituents;
  - (B) By substitution at the 3-position with an acyclic alkyl substituent; or
  - (C) By substitution at the 2-amino nitrogen atom with alkyl, dialkyl, benzyl, or methoxybenzyl groups, or by inclusion of the 2-amino nitrogen atom in a cyclic structure.

Some other trade names: Mephedrone (2-methylamino-1-p-tolylpropan-1-one), also known as 4-methylmethcathinone (4-MMC), methylephedrone or MMCAT;

Methylenedioxypropylone (MDPV, MDPK); ~~and~~ methylone or 3,4-methylenedioxymethcathinone[-]; and 1-(benzo[d][1,3]dioxol-5-yl)-2-(ethylamino)propan-1-one, monohydrochloride, also known as Ethylone, bk-MDEA hydrochloride, MDEC; 3,4-Methylenedioxy-N-ethylcathinone; bk-Methylenedioxyethylamphetamine.

(g) Any of the following cannabinoids, their salts, isomers, and salts of isomers, unless specifically excepted, whenever the existence of these salts, isomers, and salts of isomers is possible within the specific chemical designation:

- (1) Tetrahydrocannabinols; meaning tetrahydrocannabinols naturally contained in a plant of the genus Cannabis (cannabis plant), as well as synthetic equivalents of the substances contained in the plant, or in the resinous extractives of Cannabis, sp. or synthetic substances, derivatives, and their isomers with similar chemical structure and pharmacological activity to those substances contained in the plant, such as the following: Delta 1 cis or trans tetrahydrocannabinol, and their optical isomers; Delta 6 cis or trans tetrahydrocannabinol, and their optical isomers; and Delta

- 3,4 cis or trans-tetrahydrocannabinol, and its optical isomers (since nomenclature of these substances is not internationally standardized, compounds of these structures, regardless of numerical designation of atomic positions, are covered);
- (2) Naphthoylindoles; meaning any compound containing a 3-(1-naphthoyl) indole structure with substitution at the nitrogen atom of the indole ring by a alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl) methyl or 2-(4-morpholinyl) ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent;
  - (3) Naphthylmethylinindoles; meaning any compound containing a 1H-indol-3-yl-(1-naphthyl) methane structure with substitution at the nitrogen atom of the indole ring by a alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl) methyl or 2-(4-morpholinyl) ethyl group whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent;
  - (4) Naphthoylpyrroles; meaning any compound containing a 3-(1-naphthoyl) pyrrole structure with substitution at the nitrogen atom of the pyrrole ring by a alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl) methyl or 2-(4-morpholinyl) ethyl group whether or not further substituted in the pyrrole ring to any extent, whether or not substituted in the naphthyl ring to any extent;
  - (5) Naphthylmethylinindenes; meaning any compound containing a naphthylideneindene structure with substitution at the 3-position of the indene ring by a alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl) methyl or 2-(4-morpholinyl) ethyl group whether or not further substituted in the indene ring to any extent, whether or not substituted in the naphthyl ring to any extent;
  - (6) Phenylacetylindoles; meaning any compound containing a 3-phenylacetylindole structure with substitution at the nitrogen atom of the indole ring by a alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl) methyl or 2-(4-morpholinyl) ethyl group whether or not further substituted in the indole ring to any extent, whether or not substituted in the phenyl ring to any extent;
  - (7) Cyclohexylphenols; meaning any compound containing a 2-(3-hydroxycyclohexyl) phenol structure with substitution at the 5-position of the phenolic ring by a alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl) methyl or 2-(4-morpholinyl) ethyl group whether or not substituted in the cyclohexyl ring to any extent;
  - (8) Benzoylindoles; meaning any compound containing a 3-(benzoyl) indole structure with substitution at the nitrogen atom of the indole ring by a alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl) methyl or 2-(4-morpholinyl) ethyl group whether or not further substituted in the indole ring to any extent and whether or not substituted in the phenyl ring to any extent;

- (9) 2,3-Dihydro-5-methyl-3-(4-morpholinylmethyl) pyrrolo[1,2,3-de]-1,4-benzoxazin-6-yl]-1-[~~naphthalenylmethanone~~ naphthalenylmethanone] (another trade name is WIN 55,212-2);
- (10) (6a,10a)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl)-6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol (other trade names are: HU-210 and HU-211);
- (11) Tetramethylcyclopropanoylindoles; meaning any compound containing a 3-tetramethylcyclopropanoylindole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, 2-(4-morpholinyl)ethyl, 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, or tetrahydropyranylmethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the tetramethylcyclopropyl ring to any extent;
- (12) N-(1-adamantyl)-1-pentyl-1H-indazole-3-carboxamide, its optical, positional, and geometric isomers, salts, and salts of isomers (Other names: APINACA, AKB48);
- (13) Quinolin-8-yl 1-pentyl-1H-indole-3-carboxylate, its optical, positional, and geometric isomers, salts, and salts of isomers (Other names: PB-22; QUPIC);
- (14) Quinolin-8-yl 1-(5-fluoropentyl)-1H-indole-3-carboxylate, its optical, positional, and geometric isomers, salts, and salts of isomers (Other names: 5-fluoro-PB-22; 5F-PB-22);
- (15) N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(4-fluorobenzyl)-1H-indazole-3-carboxamide, its optical, positional, and geometric isomers, salts, and salts of isomers (Other names: AB-FUBINACA); [and]
- (16) N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1-pentyl-1H-indazole-3-carboxamide, its optical, positional, and geometric isomers, salts, and salts of isomers (Other names: ADB-PINACA)[-];
- (17) N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(cyclohexylmethyl)-1H-indazole-3-carboxamide, its optical, positional, and geometric isomers, salts, and salts of isomers (Other names: AB-CHMINACA);
- (18) N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-pentyl-1H-indazole-3-carboxamide, and geometric isomers, salts, and salts of isomers (Other names: AB-PINACA);
- (19) [1-(5-fluoropentyl)-1H-indazol-3-yl](naphthalen-1-yl)methanone, and geometric isomers, salts, and salts of isomers (Other names: THJ-2201);
- (20) Methyl (1-(4-fluorobenzyl)-1H-indazole-3-carbonyl)-L-valinate, and geometric isomers, salts, and salts of isomers (other names: FUB-AMB);
- (21) (S)-methyl 2-(1-(5-fluoropentyl)-1H-indazole-3-carboxamido)-3-methylbutanoate, and geometric isomers, salts, and salts of isomers (Other names: 5-fluoro-AMB, 5-fluoro-AMP);
- (22) N-((3s,5s,7s)-adamantan-1-yl)-1-(5-fluoropentyl)-1H-indazole-3-carboxamide, and geometric isomers, salts, and salts of isomers (Other names: AKB48 N-(5-fluoropentyl) analog, 5F-AKB48, APINACA 5-fluoropentyl analog, 5F-APINACA);
- (23) N-adamantyl-1-fluoropentylindole-3-Carboxamide, and geometric isomers, salts, and salts of isomers (Other names: STS-135, 5F-APICA; 5-fluoro-APICA); and

- (24) Naphthalen-1-yl 1-(5-fluoropentyl)-1H-indole-3-carboxylate, and geometric isomers, salts, and salts of isomers (Other names: NM2201).”

SECTION 2. Section 329-18, Hawaii Revised Statutes, is amended by amending subsection (e) to read as follows:

“(e) Narcotic drugs. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation containing any of the following narcotic drugs, or their salts, or alkaloid, in limited quantities as set forth below:

- (1) Not more than 1.8 grams of codeine, or any of its salts, per 100 milliliters or not more than 90 milligrams per dosage unit, with an equal or greater quantity of an isoquinoline alkaloid of opium;
- (2) Not more than 1.8 grams of codeine, or any of its salts, per 100 milliliters or not more than 90 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts;
- ~~[(3) Not more than 300 milligrams of dihydrocodeinone (Hydrocodone), or any of its salts, per 100 milliliters or not more than 15 milligrams per dosage unit, with a fourfold or greater quantity of an isoquinoline alkaloid of opium provided that these narcotic drugs shall be monitored pursuant to section 329-101;~~
- ~~(4) Not more than 300 milligrams of dihydrocodeinone (Hydrocodone), or any of its salts per 100 milliliters or not more than 15 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts provided that these narcotic drugs shall be monitored pursuant to section 329-101;~~
- ~~(5)~~ (3) Not more than 1.8 grams of dihydrocodeine, or any of its salts, per 100 milliliters or not more than 90 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts;
- ~~[(6)~~ (4) Not more than 300 milligrams of ethylmorphine, or any of its salts, per 100 milliliters or not more than 15 milligrams per dosage unit, with one or more ingredients in recognized therapeutic amounts;
- ~~[(7)~~ (5) Not more than 500 milligrams of opium per 100 milliliters or per 100 grams, or not more than 25 milligrams per dosage unit, with one or more active nonnarcotic ingredients in recognized therapeutic amounts;
- ~~[(8)~~ (6) Not more than 50 milligrams of morphine or any of its salts, per 100 milliliters or per 100 grams with one or more active, nonnarcotic ingredients in recognized therapeutic amounts; and
- ~~[(9)~~ (7) Buprenorphine.”

SECTION 3. Section 329-20, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (b) to read:

“(b) Depressants. Any material, compound, mixture, or preparation which contains any quantity of the following substances, including its salts, isomers, esters, ethers, and salts of isomers, whenever the existence of these isomers, esters, ethers, and salts is possible within the specific chemical designation, that has a degree of danger or probable danger associated with a depressant effect on the central nervous system:

- (1) Alprazolam;
- (2) Barbital;
- (3) Bromazepam;
- (4) Butorphanol;
- (5) Camazepam;
- (6) Carisoprodol;
- (7) Chloral betaine;
- (8) Chloral hydrate;
- (9) Chlordiazepoxide;
- (10) Clobazam;
- (11) Clonazepam;
- (12) Clorazepate;
- (13) Clotiazepam;
- (14) Cloxazolam;
- (15) Delorazepam;
- (16) Dichloralphenazone (Midrin);
- (17) Diazepam;
- (18) Estazolam;
- (19) Ethchlorvynol;
- (20) Ethinamate;
- (21) Ethyl loflazepate;
- (22) Fludiazepam;
- (23) Flunitrazepam;
- (24) Flurazepam;
- (25) Fospropofol (Lusedra);
- (26) Halazepam;
- (27) Haloxazolam;
- (28) Ketazolam;
- (29) Loprazolam;
- (30) Lorazepam;
- (31) Lormetazepam;
- (32) Mebutamate;
- (33) Medazepam;
- (34) Meprobamate;
- (35) Methohexital;
- (36) Methylphenobarbital (mephorbarbital);
- (37) Midazolam;
- (38) Nimetazepam;
- (39) Nitrazepam;
- (40) Nordiazepam;
- (41) Oxazepam;
- (42) Oxazolam;
- (43) Paraldehyde;
- (44) Petrichloral;
- (45) Phenobarbital;
- (46) Pinazepam;
- (47) Prazepam;
- (48) Quazepam;
- (49) Suvorexant;
- ~~(49)~~ (50) Temazepam;
- ~~(50)~~ (51) Tetrazepam;
- ~~(51)~~ (52) Triazolam;
- ~~(52)~~ (53) Zaleplon;
- ~~(53)~~ (54) Zolpidem; and

~~[(54)]~~ (55) Zopiclone (Lunesta).”

2. By amending subsection (g) to read:

“(g) Narcotic drugs. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation containing any of the following narcotic drugs, or their salts calculated as the free anhydrous base or alkaloid, in limited quantities as set forth below:

- (1) Not more than one milligram of difenoxin and not less than twenty-five micrograms of atropine sulfate per dosage unit; ~~and~~
- (2) Dextropropoxyphene (alpha-(+)-4-dimethylamino-1, 2-diphenyl-3-methyl-2-propionoxybutane)-; ~~and~~
- (3) 2-[(dimethylamino)methyl]-1-(3-methoxyphenyl)cyclohexanol, its salts, optical and geometric isomers and salts of these isomers (including tramadol).”

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.

(Approved July 1, 2015.)

## ACT 196

H.B. NO. 1432

A Bill for an Act Relating to the Interim Assistance Reimbursement Special Fund.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. An eligibility determination for federal supplemental security income can take several months or years if an appeal is filed. At one time, the average length of time for an initial supplemental security income determination was three to five months. Presently, the average length of time has grown to four to eight months. Consequently, in a majority of cases, the federal interim assistance reimbursement is not received by the department of human services in the same fiscal year in which the state-funded benefits were paid.

The department of human services is not allowed to retain interim assistance reimbursements received for a prior fiscal year, and instead is required to deposit these reimbursements into the general fund. The department of human services returned \$1,056,219 to the general fund in 2013 and \$897,335 to the general fund in 2012. The department of human services would not have needed emergency appropriations in 2012 for the general assistance program if the department had been able to retain the \$897,335 that had lapsed to the general fund.

Shortfalls also affect benefit payments. The department of human services did not ask for emergency appropriations in 2013 and chose to keep the general assistance payment at \$298 per month, with a small increase to \$319 in October of 2013 after a slight caseload decrease. However, the department of human services would have been able to increase the general assistance payment amount earlier and in a higher amount had it been able to retain the interim assistance reimbursements from prior fiscal years.

The purpose of this Act is to establish the interim assistance reimbursement special fund, into which will be deposited reimbursements received from the United States Social Security Administration on behalf of recipients who have been retroactively approved for supplemental security income after receiv-

ing state-funded interim assistance payments. The special fund will be used for state-funded financial assistance payments and for programs that support and assist recipients to qualify for supplemental security income.

SECTION 2. Chapter 346, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§346- Interim assistance reimbursement special fund. (a) There is established in the state treasury the interim assistance reimbursement special fund, to be administered by the department, into which shall be deposited:

- (1) Moneys received from the federal government pursuant to section 346-57;
- (2) Appropriations made by the legislature to the fund;
- (3) Any interest that accrues upon the balance in the fund; and
- (4) Any other revenues designated for the fund.

(b) Moneys in the interim assistance reimbursement special fund shall be used for:

- (1) State-funded financial assistance payments; and
- (2) Programs that support and assist recipients to qualify for supplemental security income.

(c) All unencumbered and unexpended moneys in excess of \$3,000,000 in the interim assistance reimbursement special fund shall lapse to the credit of the general fund. Upon dissolution of the special fund, any unencumbered and unexpended moneys remaining on balance in the fund shall lapse to the credit of the general fund.

(d) Moneys in the interim assistance reimbursement special fund may be used for general assistance to households without minor dependents; provided that these moneys shall not be considered by the director in determining the general assistance allowance as set forth in section 346-53(b).

(e) The department shall submit a report to the legislature detailing the amount of, and reason for, any expenditure from the interim assistance reimbursement special fund within ten business days of the expenditure.”

SECTION 3. There is appropriated out of the interim assistance reimbursement special fund the sum of \$3,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 to carry out the purposes of this Act.

The sum appropriated shall be expended by the department of human services for the purposes of this Act.

SECTION 4. New statutory material is underscored.<sup>1</sup>

SECTION 5. This Act shall take effect on July 1, 2015.

(Approved July 1, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

A Bill for an Act Relating to Consumer Protection.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 431, Hawaii Revised Statutes, is amended by adding a new section to article 10A to be appropriately designated and to read as follows:

**“§431:10A- Formulary; accessibility requirements.** (a) Each insurer offering or renewing an individual or group accident and health or sickness insurance policy on or after January 1, 2017, shall provide the following information via a public website and through a toll-free number that is posted on the insurer’s website:

- (1) Its formulary; provided that notice of any changes due to the addition of a new drug or deletion of any existing drug shall be made available no later than seventy-two hours after the effective date of the change; provided further that notice of other changes, including drug strength or form, shall be made available within fourteen calendar days of the effective date of the change;
- (2) Provide a system that allows an insured or potential insured to determine whether prescription drugs are covered under the plan’s medical benefits and typically administered by a provider, along with any cost-sharing imposed on such drugs;
- (3) Indicate a dollar amount range of cost-sharing typically paid by an insured of each specific drug included on the formulary based on the information the insurer has available, as follows:
 

(A) \$100 and under:	\$;
(B) Over \$100 to \$250:	\$\$;
(C) Over \$250 to \$500:	\$\$\$;
(D) Over \$500 to \$1,000:	\$\$\$\$; and
(E) Over \$1,000:	\$\$\$\$\$; and
- (4) Display standardized content for the formulary for each product offered by the plan pursuant to recommendations made by the formulary accessibility working group established pursuant to Act , Session Laws of Hawaii 2015.

(b) For the purposes of this section, “formulary” means the complete list of drugs preferred for use and eligible for coverage under a policy, including drugs covered under the policy’s pharmacy benefit and medical benefit as defined by the health care service plans.

(c) This section shall not apply to limited benefit health insurance as provided in section 431:10A-102.5; provided further that this section shall not apply to medicare, medicaid, or other federally financed plans.”

**SECTION 2.** Chapter 432, Hawaii Revised Statutes, is amended by adding a new section to article 1 to be appropriately designated and to read as follows:

**“§432:1- Formulary; accessibility requirements.** (a) Each mutual benefit society offering or renewing an individual and group hospital or medical service plan contract on or after January 1, 2017, shall provide the following information via a public website and through a toll-free number that is posted on the mutual benefit society’s website:

- (1) Its formulary; provided that notice of any changes due to the addition of a new drug or deletion of any existing drug shall be made available no later than seventy-two hours after the effective date of the change; provided further that notice of other changes, including drug strength or form, shall be made available within fourteen calendar days of the effective date of the change;
- (2) Provide a system that allows a subscriber or potential subscriber to determine whether prescription drugs are covered under the plan’s medical benefits and typically administered by a provider, along with any cost-sharing imposed on such drugs;



- (3) Indicate a dollar amount range of cost-sharing typically paid by a subscriber of each specific drug included on the formulary based on the information the mutual benefit society has available, as follows:
  - (A) \$100 and under: \$;
  - (B) Over \$100 to \$250: \$\$;
  - (C) Over \$250 to \$500: \$\$\$;
  - (D) Over \$500 to \$1,000: \$\$\$\$; and
  - (E) Over \$1,000: \$\$\$\$\$; and

(4) Display standardized content for the formulary for each product offered by the plan pursuant to recommendations made by the formulary accessibility working group established pursuant to Act , Session Laws of Hawaii 2015.

(b) For the purposes of this section, "formulary" means the complete list of drugs preferred for use and eligible for coverage under a policy, including drugs covered under the policy's pharmacy benefit and medical benefit as defined by the health care service plans.

(c) This section shall not apply to limited benefit health insurance as provided in section 431:10A-102.5; provided further that this section shall not apply to medicare, medicaid, or other federally financed plans."

SECTION 3. Section 432D-23, Hawaii Revised Statutes, is amended to read as follows:

**"§432D-23 Required provisions and benefits.** Notwithstanding any provision of law to the contrary, each policy, contract, plan, or agreement issued in the State after January 1, 1995, by health maintenance organizations pursuant to this chapter, shall include benefits provided in sections 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116, 431:10A-116.5, 431:10A-116.6, 431:10A-119, 431:10A-120, 431:10A-121, 431:10A-125, 431:10A-126, 431:10A-122, [and] 431:10A-116.2, and 431:10A-\_\_\_\_, and chapter 431M."

SECTION 4. (a) There is established a formulary accessibility working group to be appointed and administered by the insurance commissioner for the purpose of making recommendations for a standard formulary template pursuant to this Act. The working group shall include the following members:

- (1) Insurance commissioner, or the commissioner's designee, who shall serve as chair;
- (2) Director of health, or the director's designee;
- (3) Representatives from the health care provider community;
- (4) Representatives from the board of pharmacy;
- (5) Representatives from the Hawaii Association of Health Plans; and
- (6) One representative from the American Cancer Society Cancer Action Network – Hawaii Pacific Region.

(b) The formulary accessibility working group shall make its recommendations related to a standard formulary template to the legislature no later than twenty days prior to the convening of the regular session of 2016.

(c) The formulary accessibility working group shall dissolve on June 30, 2016.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

SECTION 6. This Act shall take effect on July 1, 2015.

(Approved July 2, 2015.)

Note

1. Edited pursuant to HRS §23G-16.5.

## ACT 198

H.B. NO. 268

A Bill for an Act Relating to Dentistry.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 448, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§448- Board of dental examiners; summary suspension.** (a) The board of dental examiners may summarily suspend any license issued under this chapter upon a specific determination that the failure to take such an action may result in an immediate and unreasonable threat to personal safety or of fraud that jeopardizes or endangers the health or safety of patients as determined by the professional standards of care upon consumers, and that, for the protection of the public from the possible consequences of such practices, the license should be immediately suspended or restricted.

(b) The order of summary suspension shall include a brief statement of findings of fact and conclusions of law and shall be served upon the licensee as required by chapter 91. The order of summary suspension shall be effective upon service.

(c) A licensee served with an order of summary suspension shall have the right to request a hearing to show cause why the order of summary suspension should be terminated. Any request for a hearing shall be made in writing and filed with the board of dental examiners within five business days of service of the order. The board shall hold a hearing within seven business days of receipt of the licensee's request for the hearing to show cause.

(d) Notwithstanding any law to the contrary, an order summarily suspending a license issued under this chapter shall remain in effect until the effective date of a final decision and order issued by the board of dental examiners in a disciplinary action or the effective date of an order issued by the board of dental examiners terminating the summary suspension following a hearing to show cause, whichever occurs first, but in either case shall not exceed thirty business days.

(e) The board of dental examiners shall conduct a hearing for disciplinary action against a licensee whose license has been summarily suspended under this section within twenty business days from the effective date of the order of summary suspension.

(f) Any attempt by the licensee to continue the practice of dentistry or the practice of dentistry by the licensee while the license has been summarily suspended shall be grounds for revocation of the license.”

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun, before its effective date.

SECTION 3. New statutory material is underscored.<sup>1</sup>

SECTION 4. This Act shall take effect on July 1, 2015.

(Approved July 2, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

A Bill for an Act Relating to Licensing.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** The legislature finds that the practice of behavior analysis in Hawaii affects the public's health, safety, and welfare. The legislature further finds that behavior analysts and the practice of behavior analysis should be subject to regulation and control to protect the public from the unqualified practice of behavior analysis and from unprofessional conduct by persons licensed to practice behavior analysis.

The legislature additionally finds that certain measures introduced during the regular session of 2015 provide mandated insurance coverage for the diagnosis and treatment of autism. If such legislation is ultimately enacted, it is critical that behavior analysts, who engage in the practice of behavior analysis with individuals with autism, be fully licensed. Furthermore, health insurance plans in Hawaii will not provide reimbursement for services provided by behavior analysts unless those individuals are licensed in the State.

The legislature notes that it is imperative that the licensing of behavior analysts begin concurrently with any mandated insurance coverage for the diagnosis and treatment of autism. Thus, in light of the unique and proven need to establish a licensing program for behavior analysts in the State concurrently with mandated insurance coverage for diagnosis and treatment related to autism disorders, the legislature further finds that it is in the best interest of the State to exempt licensing of the behavior analyst profession from Hawaii's sunrise analysis requirements.

Accordingly, the purpose of this Act is to address the urgent need for a licensing process for behavior analysts by establishing the behavior analyst program within the department of commerce and consumer affairs and establishing licensing requirements for the practice of behavior analysis by behavior analysts.

**SECTION 2.** The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

**"CHAPTER  
BEHAVIOR ANALYSTS**

§ -1 **Findings and declaration of necessity.** It is the intent of the legislature to establish standards for the licensing of behavior analysts to address the present and critical need for ensuring that those in the community requiring diagnosis and treatment for autism receive the care needed along with other healthcare needs. The special state interest for creating this chapter is recognized, notwithstanding the requirements of section 26H-6.

§ -2 **Definitions.** For the purposes of this chapter:  
"Applied behavior analysis" means interventions that are based on scientific research and the direct observation and measurement of behavior and the environment.

"Behavior Analyst Certification Board" means the international accredited Behavior Analyst Certification Board or its successor.

"Department" means the department of commerce and consumer affairs.

"Director" means the director of commerce and consumer affairs.

"Licensed behavior analyst" means a person:

- (1) Who engages in the practice of behavior analysis and uses the title of licensed behavior analyst;
- (2) Who has been issued a license under this chapter; and
- (3) Whose license is in effect and not revoked, suspended, or encumbered.

“Practice of behavior analysis” means the design, implementation, and evaluation of instructional and environmental modifications to produce socially significant improvements in human behavior. Practice of behavior analysis includes the empirical identification of functional relations between behavior and environmental factors, known as functional assessment and analysis. Practice of behavior analysis also includes the use of contextual factors, motivating operations, antecedent stimuli, positive reinforcement, and other consequences to help people develop new behaviors, increase or decrease existing behaviors, and emit behaviors under specific environmental conditions. Practice of behavior analysis expressly excludes psychological testing, diagnosis of a mental or physical disorder, neuropsychology, psychotherapy, cognitive therapy, sex therapy, psychoanalysis, hypnotherapy, and long-term counseling as treatment modalities.

**§ -3 Behavior analyst program; established; personnel.** (a) Notwithstanding any other law, there is established a behavior analyst program within the department to be administered by the director.

(b) The department may employ necessary personnel without regard to chapter 76 to assist with the implementation and continuing functions of this chapter.

**§ -4 License required.** (a) Beginning on January 1, 2016, except as specifically provided in this chapter, no person shall engage in the practice of behavior analysis or use the title “licensed behavior analyst” or “behavior analyst” without a valid license issued pursuant to this chapter.

(b) Any person who violates this section shall be subject to a fine of not more than \$1,000 for each separate offense. Each day of each violation shall constitute a separate offense.

**§ -5 Powers and duties of the director.** In addition to any other powers and duties authorized by law, the director shall have the powers and duties to:

- (1) Grant, deny, renew, refuse to renew, restore, terminate, reinstate, condition, restrict, suspend, or revoke a license issued pursuant to this chapter;
- (2) Grant permission to a person to engage in the practice of behavior analysis and to use the title of “licensed behavior analyst” or a description indicating that the person is a licensed behavior analyst in this State;
- (3) Adopt, amend, or repeal rules pursuant to chapter 91 as the director finds necessary to carry out this chapter;
- (4) Administer, coordinate, and enforce this chapter;
- (5) Discipline a licensed behavior analyst on grounds specified by this chapter or chapter 436B or for any violation of rules adopted by the director pursuant to this chapter; and
- (6) Refuse to license a person for failure to meet the licensing requirements in this chapter or for any reason specified by this chapter as grounds to discipline a behavior analyst including but not limited to violations of the Behavior Analyst Certification Board’s ethical guidelines for responsible conduct.

§ -6 **Fees; disposition.** (a) Upon issuance of a new license and at each license renewal period, each behavior analyst shall pay, in addition to a license fee or renewal fee, a surcharge of \$100, which shall be maintained in a separate account within the compliance resolution fund established pursuant to section 26-9(o). At the end of each quarter, the moneys contained in the separate account established pursuant to this section shall be transferred to the compliance resolution fund until such time that the total transferred amounts equal the amount appropriated in section 5 of Act , Session Laws of Hawaii 2015. Thereafter, no surcharge shall be assessed, and any funds in excess of the amount appropriated in section 5 of Act , Session Laws of Hawaii 2015, shall be deposited into the compliance resolution fund.

(b) Application fees paid pursuant to this chapter shall not be refundable. Pursuant to section 26-9(l), the director shall establish examination, reexamination, license, renewal, restoration, enforcement, and other fees relating to the administration of this chapter by rule.

(c) Fees assessed pursuant to this chapter shall be used to defray costs incurred by the department in implementing this chapter.

§ -7 **Exemptions.** (a) This chapter is not intended to restrict the practice of other licensed or credentialed healthcare practitioners practicing within their own recognized scopes of practice and shall not apply to:

- (1) An individual working within the scope of practice or duties of another licensed profession that overlaps with the practice of behavior analysis; provided that the person does not purport to be a behavior analyst;
  - (2) An individual who implements or designs applied behavior analysis services and possesses board certification as an assistant behavior analyst by the Behavior Analyst Certification Board and who practices in accordance with the most recent supervisory and ethical requirements adopted by the Behavior Analyst Certification Board under the direction of a behavior analyst licensed in this State;
  - (3) An individual who directly implements applied behavior analysis services, is credentialed as a registered behavior technician by the Behavior Analyst Certification Board, and is under the direction of a behavior analyst licensed in this State;
  - (4) A family member implementing an applied behavior analysis plan within the home who acts under the direction of a behavior analyst licensed in this State;
  - (5) An individual who engages in the practice of behavior analysis with nonhuman or nonpatient clients or consumers including but not limited to applied animal behaviorists and practitioners of organizational behavior management;
  - (6) A matriculated graduate student or postdoctoral fellow whose activities are part of a defined behavior analysis program of study, practicum, or intensive practicum; provided that the student's or fellow's activities or practice is directly supervised by a behavior analyst licensed in this State or an instructor in a Behavior Analyst Certification Board-approved course sequence; or
  - (7) An individual pursuing experience in behavior analysis consistent with the Behavior Analyst Certification Board's experience requirements; provided that the experience is supervised by a behavior analyst licensed in this State.
- (b) Nothing in this chapter shall be construed to prevent any licensed psychologist from engaging in the practice of behavior analysis in this State as

long as the person is not in any manner held out to the public as a "licensed behavior analyst" or "behavior analyst" and the behavior analysis services provided by the licensed psychologist are within the licensed psychologist's recognized scope of practice.

§ **-8 Application for licensure.** The department shall issue a license under this chapter to an applicant for behavior analyst if the applicant provides satisfactory evidence to the department that the applicant meets the requirements for licensure contained in this chapter and rules adopted by the director and if the applicant for behavior analyst:

- (1) Successfully passed the Board Certified Behavior Analyst examination;
- (2) Maintains active status with the Behavior Analyst Certification Board as a board certified behavior analyst or board certified behavior analyst-doctoral; and
- (3) Pays all fees for licensure established by the director.

§ **-9 Licensure by endorsement.** The director may issue a license by endorsement to an applicant who holds a current and unencumbered license as a behavior analyst in another state; provided that the requirements for a license in that state are deemed by the director to be equivalent to or higher than the current requirements for licensure in this State.

§ **-10 Renewal of license.** Licenses issued pursuant to this chapter shall be valid for two years and shall be renewed upon the payment of a renewal fee within sixty days before the expiration of the license. Failure to renew a license shall result in forfeiture of that license. Licenses that have been forfeited may be restored within one year of the forfeiture date upon payment of renewal and restoration fees. Failure to restore a forfeited license within one year shall result in the automatic termination of the license. A person whose license has been terminated pursuant to this section shall be required to reapply for a new license as a new applicant.

§ **-11 Grounds for refusal to renew, reinstate, or restore a license and for denial, revocation, suspension, or condition of a license.** (a) In addition to any other acts or conditions provided by law, the director may refuse to renew, reinstate, or restore and may deny, revoke, suspend, or condition in any manner any license for any one or more of the following acts or conditions on the part of a licensee or license applicant:

- (1) Failure to meet or to maintain the conditions and requirements necessary to qualify for the granting of a license;
- (2) Engaging in false, fraudulent, or deceptive advertising, or making untruthful or improbable statements in advertising;
- (3) Engaging in the practice of behavior analysis while impaired by alcohol, drugs, physical disability, or mental instability;
- (4) Procuring through fraud, misrepresentation, or deceit a license to engage in the practice of behavior analysis;
- (5) Aiding and abetting an unlicensed person to directly or indirectly perform activities requiring a license for the practice of behavior analysis;
- (6) Engaging in professional misconduct, incompetence, gross negligence, or manifest incapacity in the practice of behavior analysis;

- (7) Engaging in conduct or a practice contrary to recognized standards of the most recent ethical guidelines for the practice of behavior analysis as adopted by the Behavior Analyst Certification Board;
  - (8) Violating any condition or limitation imposed by the director on a license to practice behavior analysis;
  - (9) Engaging in the practice of behavior analysis in a manner that causes injury to one or more members of the public;
  - (10) Failing to comply with, observe, or adhere to any law in a manner that causes the director to determine that the applicant or holder is unfit to hold a license;
  - (11) Having a license revoked or suspended or other disciplinary action by any state or federal agency for any reason that is provided by the applicable licensing laws or by this section;
  - (12) Having been convicted or pleaded nolo contendere to a crime directly related to the qualifications, functions, or duties of the practice of behavior analysis;
  - (13) Failing to report in writing to the director any disciplinary decision issued against the licensee or applicant in another jurisdiction within thirty days of the disciplinary decision;
  - (14) Failing to report in writing to the director the Behavior Analyst Certification Board's revocation of the certification of a licensee or applicant within fifteen days of the revocation;
  - (15) Employing, whether gratuitously or for pay, any person not licensed pursuant to this chapter to perform the functions or duties of the practice of behavior analysis; or
  - (16) Violating this chapter, chapter 436B, or any rule or order of the director.
- (b) Any licensee or applicant who violates this section may also be fined not more than \$1,000 per violation."

SECTION 3. Section 26H-4, Hawaii Revised Statutes, is amended to read as follows:

**"§26H-4 Repeal dates for newly enacted professional and vocational regulatory programs.** (a) Any professional or vocational regulatory program enacted after January 1, 1994, and listed in this section shall be repealed as specified in this section. The auditor shall perform an evaluation of the program, pursuant to section 26H-5, prior to its repeal date.

(b) Chapter 466D (respiratory therapists) shall be repealed on June 30, 2016.

(c) Chapter 436H (athletic trainers) shall be repealed on June 30, 2018.

(d) Chapter \_\_\_\_\_ (behavior analysts) shall be repealed on June 30, 2021."

SECTION 4. Section 26H-6, Hawaii Revised Statutes, shall not apply to this Act.

SECTION 5. There is appropriated out of the compliance resolution fund established pursuant to section 26-9(o), Hawaii Revised Statutes, the sum of \$40,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 to implement the behavior analyst program established pursuant to section 2 of this Act.

The sums appropriated shall be expended by the department of commerce and consumer affairs for the purposes of this Act.

SECTION 6. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 1, 2015.

(Approved July 2, 2015.)

**ACT 200**

S.B. NO. 464

A Bill for an Act Relating to Consumer Protection.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 481-9.5, Hawaii Revised Statutes, is amended to read as follows:

~~“[§481-9.5]~~ **Automatic renewal clauses[-] and continuous service clauses.** (a) Any person who sells or offers to sell any products or services to a consumer pursuant to a consumer contract that has a specified term of more than one month and an automatic renewal clause under which the contract will automatically renew for a specified term of more than one month unless the consumer cancels the contract, shall disclose the automatic renewal clause and the procedure by which the consumer can cancel automatic renewal of the consumer contract clearly and conspicuously in the consumer contract.

(b) Any person who sells or offers to sell any products or services to a consumer pursuant to a consumer contract that has a specified contract term of twelve months or more, under which the contract will automatically renew for a specified term of more than one month unless the consumer cancels the consumer contract, shall notify the consumer clearly and conspicuously:

- (1) That the consumer contract will automatically renew unless the consumer cancels the contract;
- (2) How to cancel the contract; and
- (3) The deadline by which the consumer shall respond to cancel the consumer contract and prevent automatic renewal.

The notice provided to the consumer under this subsection shall be sent to the consumer no less than thirty days and no more than sixty days before the date upon which the consumer shall respond under paragraph (3).

(c) The notice to the consumer required by this section may be provided electronically if the:

- (1) Transaction for sale of products or services was conducted electronically at the election of the consumer and in compliance with the requirements of chapter 489E, the uniform electronic transactions act; or
- (2) Consumer elects to receive electronic communications and provides a valid electronic-mail address for the purpose of receiving the notice required by this section.

(d) Any person who sells or offers to sell any products or services to a consumer pursuant to a consumer contract that contains a continuous service clause shall clearly and conspicuously disclose the continuous service clause and the procedure by which the consumer can cancel the contract.

(e) No person shall charge the consumer's credit or debit card or the consumer's account with a third party for an automatic renewal or a continuous service without first obtaining the consumer's affirmative consent to the agreement containing the automatic renewal offer terms or continuous service offer terms.



(f) Any person who sells or offers to sell products or services subject to this section shall provide the consumer with an acknowledgment that the consumer may retain the automatic renewal or continuous service offer terms, cancellation policy, and procedure by which the consumer may cancel the contract. If the offer includes a free trial, the acknowledgement shall also clearly and conspicuously disclose the right of the consumer to cancel before payment is made for the goods or services and the cancellation procedure.

(g) A person making automatic renewal or continuous service offers pursuant to a consumer contract shall include a toll-free telephone number, electronic mail address, postal address if the seller directly bills the consumer, or a clearly and conspicuously described cost-effective, timely, and easy-to-use alternative means to communicate the cancellation.

(h) In the case of a material change in the terms of the automatic renewal or continuous service offer pursuant to a consumer contract that has been accepted by a consumer in Hawaii, the person shall clearly and conspicuously provide the consumer with a notice of the material change and provide information regarding how to cancel in a manner that is capable of being retained by the consumer prior to the implementation of the material change.

~~[(d)]~~ (i) Any person who knowingly violates this section or who knowingly fails to cancel an automatic renewal contract or a continuous service contract upon consumer request shall be deemed to have engaged in an unfair method of competition and unfair or deceptive act or practice in the conduct of any trade or commerce within the meaning of section 480-2.

~~[(e)]~~ (j) This section shall not apply to any:

- (1) Financial institution subject to chapter 412 to the extent that the financial institution is engaged in activities regulated pursuant to chapter 412; [and]
- (2) Insurer subject to chapter 431, 432, or 432D to the extent that the insurer is engaged in activities regulated pursuant to those chapters[-];
- (3) Telecommunications provider subject to chapter 269; and
- (4) Cable operator subject to chapter 440G or 440J to the extent that the provider is engaged in activities regulated pursuant to those chapters or the Federal Communications Commission.

~~[(f)]~~ (k) For purposes of this section:

“Automatic renewal” means a plan or arrangement in which a paid subscription or purchasing agreement with a term of more than one month is automatically renewed at the end of a definite term for a specified term of more than one month.

“Clearly and conspicuously” means in larger type than the surrounding text; in contrasting type, font, or color to the surrounding text of the same size; or set off from the surrounding text of the same size by symbols or other marks in a manner that clearly calls attention to the language. In the case of an audio disclosure, “clear and conspicuous” and “clearly and conspicuously” mean in a volume and cadence sufficient to be readily audible and understandable.

“Consumer” shall have the same meaning as in section 480-1.

“Continuous service” means a plan or arrangement in which a paid subscription or purchasing agreement continues until the consumer cancels the service.”

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2015.

(Approved July 2, 2015.)

**ACT 201**

S.B. NO. 1096

A Bill for an Act Relating to On-Bill Programs.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to ensure that electric utilities acting as billing and collections agents in a purely "pass-through" capacity for any on-bill financing program or on-bill repayment program in the State do not inappropriately incur costs and assessments from Hawaii tax laws and are not otherwise regulated as financial and debt collection organizations operating in the State.

SECTION 2. Section 269-125, Hawaii Revised Statutes, is amended to read as follows:

**~~[[~~§269-125~~]]~~ On-bill financing for energy efficiency and renewable energy.** (a) The public utilities commission shall investigate an on-bill financing program that would allow an electric utility company customer to purchase or otherwise acquire a renewable energy system or energy-efficient device, as determined by the public utilities commission, by providing for billing and payment of such a system or device through an assessment on the electric utility company customer's electricity bill.

(b) In investigating an on-bill financing program, the public utilities commission may consider:

- (1) The costs and benefits associated with the establishment and administration of the program;
- (2) The ability of the program to effectively provide life cycle cost savings to participating electric utility company customers;
- (3) The ability of the program to make renewable energy and energy efficiency more accessible to the rental market and other underserved markets;
- (4) Methods to structure the program to ensure that any public benefits fee funds are spent cost-effectively and in compliance with applicable statutes;
- (5) The use of non-ratepayer funds or private capital to provide financing for renewable energy systems or energy-efficient devices acquired through the program;
- (6) Reasonable penalties, which may include fines and disconnection of utility services, for nonpayment of on-bill financing costs;
- (7) The ability of an electric utility company to recover costs incurred due to the program; and
- (8) Other issues the public utilities commission deems appropriate.

(c) If on-bill financing is determined by the public utilities commission to be viable, the public utilities commission may implement an on-bill financing program by decision and order or by rules pursuant to chapter 91.

(d) Amounts collected from electric utility customers by electric utilities for the repayment of on-bill obligations shall not be considered revenue of the electric utilities and accordingly, shall not be subject to state or county taxes, including the general excise tax under chapter 237, the public service company tax under chapter 239, the public utility fee under section 269-30, and the public utility franchise tax under chapter 240.

(e) The act of serving as an agent to bill and to collect the repayment of on-bill obligations shall not cause any electric utility to be subject to the laws that regulate financial institutions, escrow depositories, or collection agencies. An electric utility shall not be responsible for lending, underwriting, and credit determinations.

(f) As used in this section:

“On-bill obligation” means any and all costs resulting from the acquisition and installation of renewable energy, energy efficiency, or energy conservation systems approved by the public utilities commission for repayment through an on-bill program.

“On-bill program” means any program approved by the public utilities commission that allows for the payment or repayment by an electric utility customer for the acquisition and installation of renewable energy, energy efficiency, or energy conservation systems as part of the electric utility customer’s electric utility bill.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved July 2, 2015.)

## ACT 202

S.B. NO. 1312

A Bill for an Act Relating to State Funds.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to address state funds.

The legislature finds that article VII, section 6, of the Constitution of the State of Hawaii, when certain conditions occur, requires the legislature to provide a tax refund or tax credit to state taxpayers or make a deposit into one or more funds, as provided by law, to serve as a reserve for the State. The conditions are that the state general fund balances at the end of two successive fiscal years exceed five per cent of the state general revenues for those fiscal years.

The legislature finds that the state general fund balances at the end of fiscal years 2012-2013 and 2013-2014 exceeded five per cent of the state general revenues for those fiscal years. However, the legislature finds that, during the regular session of 2015, the legislature is required to provide a tax refund or credit and cannot, pursuant to section 328L-3(a)(3), Hawaii Revised Statutes, make a deposit into a reserve fund.

The legislature finds that the best course of action during the regular session of 2015 is to make a deposit into the emergency and budget reserve fund instead of providing a tax refund or credit. The legislature finds it preferable to increase the reserve fund at present to address possible emergencies and contingencies that may occur in the future when state revenues slow down.

SECTION 2. Notwithstanding any law to the contrary, for fiscal year 2014-2015, the director of finance shall transfer to the emergency and budget reserve fund the total sum of the tax credit or tax refund as determined by the legislature pursuant to the provisions of article VII, section 6, of the Hawaii Constitution.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$10,000,000 or so much thereof as may be necessary for fiscal year 2014-2015 to be deposited into the emergency and budget reserve fund by the director of finance.

SECTION 4. This Act shall take effect upon its approval.

(Approved July 2, 2015.)

## ACT 203

H.B. NO. 448

A Bill for an Act Relating to Domestic Violence.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 321-472, Hawaii Revised Statutes, is amended to read as follows:

~~“[§321-472] Multidisciplinary and multiagency reviews. The department [may] shall conduct multidisciplinary and multiagency reviews of domestic violence fatalities, near-deaths, and suicides to reduce the incidence of preventable [deaths.] intimate partner homicides. The director may form domestic violence fatality review teams, as necessary, by appointing individuals to review domestic violence fatalities. A domestic violence fatality review team shall not be subject to part I, chapter 92.”~~

SECTION 2. Section 321-473, Hawaii Revised Statutes, is amended to read as follows:

~~“[§321-473] Access to information. (a) Upon request of the director or a domestic violence fatality review team, all medical examiners, physicians acting under the direction of a coroner, providers of medical care, state agencies, and county agencies shall disclose to the department and the domestic violence fatality review team all information and records regarding the circumstances of a victim’s death so that the department may conduct a multidisciplinary and multiagency review of domestic violence fatalities pursuant to this part.~~

~~(b) Members of the domestic violence fatality review team shall develop procedures related to near-deaths resulting from intimate partner violence.~~

~~(c) The department may enter into memoranda of understanding with the relevant state agencies and branches of government and county agencies to obtain information relating to near-deaths resulting from intimate partner violence.~~

~~(b)] (d) To the extent that this section conflicts with other state confidentiality laws, the provisions of this section shall require disclosure, notwithstanding the existence of a specific confidentiality statute.~~

~~(e)] (e) An entity represented on a domestic violence fatality review team and any entity cooperating with an entity represented on a domestic violence fatality review team may share with other members of the team:~~

- (1) Information in its possession concerning the victim;
- (2) Information in its possession concerning any person who was in contact with the victim; and
- (3) Any other information in its possession deemed by the entity to be pertinent to the domestic violence fatality review.

~~[(4)]~~ (f) Any information shared by an entity with other members of a domestic violence fatality review team is subject to the same restrictions on disclosure of the information or the records as the originating entity.

(g) To the extent possible, the review conducted pursuant to section 321-472 shall commence no later than one year following the death, near-death, or suicide."

SECTION 3. Section 321-475, Hawaii Revised Statutes, is amended to read as follows:

~~[[§321-475]]~~ **Use of domestic violence fatality review information and records.** (a) Except as otherwise provided in this part, all information and records acquired by the department during its review of domestic violence fatalities pursuant to this part are confidential and shall only be disclosed as necessary to carry out the purposes of this part.

(b) Domestic violence fatality review information and statistical compilations of data that do not contain any information not previously publicly disclosed that would permit the identification of any person, shall be public records.

(c) An individual participating in the domestic violence fatality review of a victim's death shall not be questioned in any civil or criminal proceeding regarding information presented in or an opinion formed as a result of a domestic violence fatality review meeting. Nothing in this section shall be construed to prevent an individual from testifying to information obtained independently of the domestic violence fatality review of a victim's death, or which is public information, or where law or court order requires disclosure.

(d) Domestic violence fatality review information held by the department as a result of domestic violence fatality reviews conducted under this part shall not be subject to subpoena, discovery, or introduction into evidence in any civil or criminal proceeding, except that domestic violence fatality review information otherwise available from other sources shall not be immune from subpoena, discovery, or introduction into evidence through those sources solely because it was provided as required by this part.

(e) Information collected and recommendations derived from the review process shall be compiled for use in system reform efforts relating to the reduction of preventable deaths, near-deaths, and suicides resulting from domestic violence."

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2015.

(Approved July 2, 2015.)

**ACT 204**

S.B. NO. 519

A Bill for an Act Relating to Taxation.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that section 521-43(f), Hawaii Revised Statutes, as part of the landlord-tenant code, requires an owner or landlord who

lives out of state or on a different island than the island on which the rental unit is located to designate an agent who resides on the same island to act on the owner's or landlord's behalf. Section 521-7, Hawaii Revised Statutes, also clearly states that the only exemption from the landlord-tenant code for transient rentals is transient occupancy on a day-to-day basis in a hotel or motel.

The legislature also finds that the landlord-tenant code focuses on consumer protection. Requiring operators who live on a different island from their transient accommodation property or out of state to designate a local contact is an important aspect of consumer protection. A contact person located on the same island as the transient accommodation is essential in the case of an emergency or natural disaster. A local contact is also vital if any questions, concerns, or property issues arise regarding the transient accommodation. All operators of transient accommodations who live out of state or on a different island must identify a local contact.

SECTION 2. Section 235-20.5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) There is established a tax administration special fund, into which shall be deposited:

- (1) Fees collected under sections 235-20, 235-110.9, and 235-110.91;
- [(2)] Revenues collected by the special enforcement section pursuant to section 231-85; provided that in each fiscal year, of the total revenues collected by the special enforcement section, all revenues in excess of [~~\$500,000~~] \$700,000 shall be deposited into the general fund[-]; and
- (3) Fines assessed pursuant to section 237D-4.”

SECTION 3. Section 237D-1, Hawaii Revised Statutes, is amended as follows:

1. By adding two new definitions to be appropriately inserted and to read:

““Local contact” means an individual residing on the same island as the transient accommodation or resort time share vacation unit or an entity with a place of business and at least one employee, officer, partner, member, or other person working on behalf of the company who is residing on the same island as the transient accommodation or resort time share vacation unit.

““Transient accommodations broker” means any person or entity, including but not limited to persons who operate online websites, online travel agencies, or online booking agencies, that offers, lists, advertises, or accepts reservations or collects whole or partial payment for transient accommodations or resort time share vacation interests, units, or plans.”

2. By amending the definition of “transient accommodations” to read:

““Transient accommodations” means the furnishing of a room, apartment, suite, single family dwelling, or the like [which is customarily occupied by] to a transient for less than one hundred eighty consecutive days for each letting [by] in a hotel, apartment hotel, motel, condominium property regime or apartment as defined in chapter 514A or unit as defined in chapter 514B, cooperative apartment, dwelling unit, or rooming house that provides living quarters, sleeping, or housekeeping accommodations, or other place in which lodgings are regularly furnished to transients [for consideration].”

SECTION 4. Section 237D-4, Hawaii Revised Statutes, is amended to read as follows:

**“§237D-4 Certificate of registration.** (a) Each operator or plan manager as a condition precedent to engaging or continuing in the business of furnishing transient accommodations or in business as a resort time share vacation plan shall register with the director the name and address of each place of business within the State subject to this chapter. The operator or plan manager shall make a one-time payment as follows:

- (1) \$5 for each registration for transient accommodations consisting of one to five units;
- (2) \$15 for each registration for transient accommodations consisting of six or more units; and
- (3) \$15 for each resort time share vacation plan within the State;

upon receipt of which the director shall issue a certificate of registration in such form as the director determines, attesting that the registration has been made. The registration shall not be transferable and shall be valid only for the operator or plan manager in whose name it is issued and for the transaction of business at the place designated therein. Acquisition of additional transient accommodation units after payment of the one-time fee shall not result in additional fees.

(b) The registration, or in lieu thereof a notice stating where the registration may be inspected and examined, shall at all times be conspicuously displayed at the place for which it is issued. ~~[Acquisition of additional transient accommodation units after payment of the one-time fee shall not result in additional fees.]~~ The name, phone number, and electronic mail address of the local contact shall at all times be conspicuously displayed in the same place as the registration or the same place as the notice stating where the registration may be inspected and examined. Failure to meet the requirements of this subsection shall be unlawful. The department may issue citations to any person who fails to conspicuously display the registration or notice, or the local contact's name, phone number, or electronic mail address as required by this subsection. A citation issued pursuant to this subsection for each transient accommodation or resort time share vacation interest, plan, or unit in violation of this subsection shall include a monetary fine of not less than:

- (1) \$500 per day, for a first violation for which a citation is issued;
- (2) \$1,000 per day, for a second violation for which a citation is issued; and
- (3) \$5,000 per day, for a third and any subsequent violation for which a citation is issued.

(c) Any advertisement, including an online advertisement, for any transient accommodation or resort time share vacation interest, plan, or unit shall conspicuously provide:

- (1) The registration identification number or an electronic link to the registration identification number of the operator or plan manager issued pursuant to this section; and
- (2) The local contact's name, phone number, and electronic mail address, provided that this paragraph shall be considered satisfied if this information is provided to the transient or occupant prior to the furnishing of the transient accommodation or resort time share vacation unit.

(d) Failure to meet the requirements of subsection (c) shall be unlawful. The department may issue citations to any person, including operators, plan managers, and transient accommodations brokers, who violates subsection (c). A citation issued pursuant to this subsection for each transient accommodation or resort time share vacation interest, plan, or unit in violation of subsection (c) shall include a monetary fine of not less than:

- (1) \$500 per day, for a first violation for which a citation is issued;

- (2) \$1,000 per day, for a second violation for which a citation is issued:  
and  
 (3) \$5,000 per day, for a third and any subsequent violation for which a  
citation is issued.

(e) The registration provided for by this section shall be effective until canceled in writing. Any application for the reissuance of a previously canceled registration identification number shall be regarded as a new registration application and shall be subject to the payment of the one-time registration fee. The director may revoke or cancel any license issued under this chapter for cause as provided by rule under chapter 91.

~~[(b)]~~ (f) If the license fee is paid, the department shall not refuse to issue a registration or revoke or cancel a registration for the exercise of a privilege protected by the First Amendment of the Constitution of the United States, or for the carrying on of interstate or foreign commerce, or for any privilege the exercise of which, under the Constitution and laws of the United States, cannot be restrained on account of nonpayment of taxes, nor shall section 237D-14 be invoked to restrain the exercise of such a privilege, or the carrying on of such commerce.

~~[(e)]~~ (g) Any person who may lawfully be required by the State, and who is required by this chapter, to register as a condition precedent to engaging or continuing in the business of furnishing transient accommodations or as a plan manager subject to taxation under this chapter, who engages or continues in the business without registering in conformity with this chapter, shall be guilty of a misdemeanor. Any director, president, secretary, or treasurer of a corporation who permits, aids, or abets such corporation to engage or continue in business without registering in conformity with this chapter, shall likewise be guilty of a misdemeanor. The penalty for the misdemeanors shall be the same as that prescribed by section ~~[231-34]~~ 231-35 for individuals, corporations, or officers of corporations, as the case may be, for violation of that section.

(h) Any monetary fine assessed under this section shall be due and payable thirty days after issuance of the citation, subject to appeal rights provided under this subsection. Citations may be appealed to the director of taxation or the director's designee."

SECTION 5. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the invalidity does not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect on January 1, 2016.

(Approved July 2, 2015.)

## ACT 205

H.B. NO. 1010

A Bill for an Act Relating to the Commuter Benefits Program.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that commuter benefits programs promote the reduction of traffic congestion, greenhouse gas emissions, air pol-



lution, and the State's reliance on imported fossil fuel. Commuter benefits will help the State to meet the Hawaii clean energy initiative standards and achieve the greenhouse gas reduction target established by Act 234, Session Laws of Hawaii 2007.

Commuter benefits are employer-provided benefits that allow employees to reduce their transportation costs for transit, vanpooling, and biking under section 132(f) of the Internal Revenue Code of 1986, as amended, by permitting employees to use pre-tax dollars, subject to monthly limits, to pay for their commuting expense.

The purpose of this Act is to authorize the counties to adopt an ordinance requiring employers to offer employees specified commuter benefits options.

SECTION 2. Chapter 46, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§46- Commuter benefits program.** (a) The counties may adopt an ordinance establishing a commuter benefits program that consists of one or more of the following commuter benefits options:

- (1) A program, consistent with section 132(f) of the Internal Revenue Code of 1986, as amended, allowing covered employees to elect to exclude from taxable wages costs incurred for transit passes, vanpool charges, and bicycle commuting costs up to the maximum amount allowed by federal tax law;
- (2) A program whereby the employer offers employees a subsidy to offset the monthly cost of commuting via transit, vanpool, or bicycle. The subsidy shall be equal to the lesser of the monthly cost of a transit pass or the monthly cost of a vanpool; provided that a subsidy for bicycle costs shall be in addition to subsidies for transit and vanpool costs; or
- (3) Transportation furnished by the employer at no cost or low cost, as determined by the designated authority, to employees in a vanpool, bus, or similar multi-passenger vehicle operated by or for the employer.

(b) Nothing in this section shall prevent an employer from offering a more generous commuter benefit that is otherwise consistent with the requirements of the applicable commuter benefits ordinance. Nothing in this section shall require employees to change their method of commute. This section shall not be construed to absolve any employer or other party from any obligation required by an existing collective bargaining agreement with employees or any provision of law.

(c) For purposes of this section:

“Employee” means any person who is on the employer’s payroll and works in a full-time or part-time position. The term includes any person who is entitled to payment of a minimum wage from an employer under the Hawaii minimum wage law.

“Employer” means any person, including corporate officers or executives, who directly or indirectly or through an agent of any other person, including through the services of a temporary service or staffing agency or similar entity, employs or exercises control over the wages, hours, or working conditions of an employee.

“Transit pass” means any pass, token, fare card, voucher, or similar item entitling a person to transportation on public transit, including but not limited to travel by bus or train.

“Vanpool” means any highway vehicle that:

- (1) Has the seating capacity of at least six adults, not including the driver; and
- (2) Is reasonably expected to use at least eighty per cent of the mileage for the purpose of transporting a number of employees equal to at least fifty per cent of the seating capacity of the vehicle, not including the driver, in connection with travel between the residence and place of employment of employees.”

SECTION 3. After the effective date of this Act, the counties shall be responsible for the creation and implementation of any commuter benefits programs established pursuant to this Act.

SECTION 4. New statutory material is underscored.<sup>1</sup>

SECTION 5. This Act shall take effect on July 1, 2015.

(Approved July 2, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 206**

H.B. NO. 119

A Bill for an Act Relating to Health.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. It is the intent and purpose of the legislature to establish a qualified tax exempt savings program to encourage and assist individuals and families to save private funds to support individuals with disabilities pursuant to section 529A of the Internal Revenue Code of 1986, as amended, or successor legislation, and any regulations promulgated thereunder. It is the further intent of the legislature that the program established by this Act be and remain in conformance with the Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014, Division B of Public Law No. 113-295.

SECTION 2. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

**“CHAPTER  
HAWAII ABLE SAVINGS PROGRAM**

§ -1 **Definitions.** As used in this chapter, unless the context otherwise requires:

“Account” or “ABLE savings account” means an individual savings account established in accordance with this chapter.

“Account owner” means the person who enters into a savings agreement pursuant to this chapter.

“Designated beneficiary” means a resident of the State whose qualified disability expenses may be paid from the account.

“Director” means the director of finance.

“Eligible individual” means an individual who is entitled to benefits based on blindness or disability under title 42 United States Code section 401 et seq.

or title 42 United States Code section 1381 et seq., as amended, and for whom blindness or disability occurred before the date on which the individual attained the age of twenty-six, or an individual who filed for the taxable year, a disability certification with and to the satisfaction of the secretary.

“Financial organization” means an organization authorized to do business in the State that is:

- (1) Licensed or chartered by the insurance commissioner;
- (2) Licensed or chartered by the commissioner of financial institutions;
- (3) Chartered by an agency of the federal government; or
- (4) Subject to the jurisdiction and regulation of the federal Securities and Exchange Commission.

“Management contract” means the contract executed by the director of finance and a financial organization selected to act as a depository and manager of the program.

“Member of the family” has the same meaning defined in section 529A of the Internal Revenue Code of 1986, as amended.

“Nonqualified withdrawal” means a withdrawal from an account that is not:

- (1) A qualified withdrawal; or
- (2) A rollover distribution.

“Program” means the Hawaii ABLE savings program established under this chapter.

“Program manager” means a financial organization selected by the director of finance to act as a depository and manager of the program.

“Qualified disability expense” means any qualified disability expense included in section 529A of the Internal Revenue Code of 1986, as amended.

“Qualified withdrawal” means a withdrawal from an account to pay the qualified disability expenses of the designated beneficiary of the account.

“Rollover distribution” means a rollover distribution as defined in section 529A of the Internal Revenue Code of 1986, as amended.

“Savings agreement” means an agreement between the program manager or the director of finance and the account owner.

“Secretary” means the secretary of the United States Department of the Treasury.

§ -2 **Hawaii ABLE savings program; establishment.** The director of finance shall establish the Hawaii ABLE savings program to provide for individual savings accounts that empower individuals with a disability and their families to save private funds to support the individual with a disability.

§ -3 **Functions and powers of the director of finance.** (a) The director shall implement and administer the program under the terms and conditions established by this chapter and in conformity with federal law including the Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014, Division B of P.L. 113-295, as it may be amended. The director shall have the authority and responsibility to:

- (1) Develop and implement the program in a manner consistent with this chapter;
- (2) Engage the services of consultants on a contract basis for rendering professional and technical assistance and advice;
- (3) Seek rulings and other guidance from the secretary and the Internal Revenue Service relating to the program;
- (4) Make any changes to the program required for the participants in the program to obtain the federal income tax benefits or treatment

provided by section 529A of the Internal Revenue Code of 1986, as amended;

- (5) Charge, impose, and collect administrative fees and service charges in connection with any agreement, contract, or transaction relating to the program;
- (6) Develop marketing plans and promotional material;
- (7) Establish the methods by which the funds held in accounts shall be dispersed;
- (8) Establish the method by which funds shall be allocated to pay for administrative costs;
- (9) Conduct an annual evaluation of the program and prepare an annual report of the evaluation to be submitted to the governor and the legislature;
- (10) Notify the secretary when an account has been opened for a designated beneficiary and submit other reports concerning the program required by the secretary;
- (11) Do all things necessary and proper to carry out the purposes of this chapter; and
- (12) Adopt rules pursuant to chapter 91 as necessary for the purposes of this chapter.

(b) The director may enter into agreements with other states to either allow residents of the State to participate in a comparable program operated by another state or allow residents of other states to participate in the Hawaii ABLE savings program.

(c) The director may implement the program through use of financial organizations as account depositories and managers. The director may solicit proposals from financial organizations to act as depositories and managers of the program. Financial organizations that submit proposals shall describe the investment instruments which will be held in accounts. The director may select more than one financial organization and investment instrument for the program. The director shall select as program depositories and managers the financial organization or organizations, from among the bidding financial organizations, that demonstrate the most advantageous combination, both to potential program participants and the State, of the following factors:

- (1) Financial stability and integrity of the financial organization;
- (2) The safety of the investment instrument being offered;
- (3) The ability of the financial organization to satisfy recordkeeping and reporting requirements;
- (4) The financial organization's plan for promoting the program and the investment the organization is willing to make to promote the program;
- (5) The fees, if any, proposed to be charged to the account owners;
- (6) The minimum initial deposit and minimum contributions that the financial organization will require;
- (7) The ability of the financial organization to accept electronic withdrawals, including payroll deduction plans; and
- (8) Other benefits to the State or its residents included in the proposal, including fees payable to the State to cover expenses of operation of the program.

(d) The director may enter into contracts and agreements with a financial organization or organizations necessary to implement this chapter.

§ -4 **Management contract; terms.** (a) A management contract shall include, at a minimum, terms requiring the financial organization to:

- (1) Take any action required to keep the program in compliance with the requirements of this chapter and take any action not contrary to the management contract to qualify as a qualified ABLE program as defined in section 529A of the Internal Revenue Code of 1986, as amended;
- (2) Keep accurate records of each account, keep each account segregated from other accounts and provide the director with the information necessary to prepare the statements required by section -5;
- (3) Compile and total information contained in statements required to be prepared under section -5 and provide the compilations to the director;
- (4) If there is more than one program manager, provide the director with the information necessary to determine compliance with section -5;
- (5) Provide the director with access to the books and records of the program manager to the extent needed to determine compliance with the contract, this chapter, and section 529A of the Internal Revenue Code of 1986, as amended;
- (6) Hold all accounts for the benefit of the account owner or owners;
- (7) Be audited at least annually by a firm of certified public accountants selected by the program manager and provide the results of the audit to the director;
- (8) Provide the director with copies of all regulatory filings and reports made by the financial organization during the term of the management contract or while the financial organization is holding any accounts, other than confidential filings or reports that will not become part of the program. The program manager shall make available for review by the director the results of any periodic examination of the program manager by any state or federal banking, insurance, or securities commission, except to the extent that the report or reports may not be disclosed under law; and
- (9) Ensure that any description of the program, whether in writing or through the use of any media, is consistent with a marketing plan developed pursuant to this chapter.
  - (b) The director of finance may:
    - (1) Enter into contracts as the director deems necessary and proper for the implementation of the program;
    - (2) Require that an audit be conducted of the operations and financial position of the program manager at any time if the director has any reason to be concerned about the financial position, the recordkeeping practices, or the status of accounts of the program manager; and
    - (3) Terminate or not renew a management agreement. If the director terminates or does not renew a management agreement, the director shall take custody of accounts held by the program manager and shall seek to promptly transfer the accounts to another financial organization that is selected as a program manager and into investment instruments as similar to the original instruments as possible.
  - (c) The department of budget and finance, department of human services, department of health, and executive office on aging are authorized to exchange data regarding eligible individuals to carry out the purposes of this chapter.

§ -5 **Hawaii ABLE savings accounts; terms and conditions.** (a) An ABLE savings account established pursuant to this chapter shall be opened by

a designated beneficiary or by a trustee or guardian of a designated beneficiary who lacks capacity to enter into a contract; provided that the designated beneficiary shall be an eligible individual at the time the account is established. Each beneficiary may hold only one account. The director may establish a nonrefundable application fee and an annual fee for each account. An application for an account shall be in the form specified by the director and shall contain:

- (1) The name, address, and social security number of the account owner;
  - (2) The name, address, and social security number of the designated beneficiary, if the account owner is the beneficiary's trustee or guardian;
  - (3) Certification relating to no excess contributions; and
  - (4) Additional information as the director may require.
- (b) Any person may make contributions to an ABLE savings account after the account is opened, subject to the limitations imposed by section 529A of the Internal Revenue Code of 1986, as amended, or any rules and regulations adopted by the secretary and applicable to this chapter.

(c) Contributions to an ABLE savings account may be made only in cash. The director or program manager shall reject or promptly withdraw contributions:

- (1) If the contribution is in excess of the limits established pursuant to subsection (b);
  - (2) If total contributions cause the value of the account to be equal to or greater than the account maximum established by the director. The account maximum must be equal to the account maximum for postsecondary education savings accounts established pursuant to chapter 256; or
  - (3) If the designated beneficiary is not an eligible individual in the current calendar year.
- (d) An account owner may:
- (1) Change the designated beneficiary of an account to an individual who is a member of the family of the prior designated beneficiary in accordance with procedures established by the director; and
  - (2) Transfer all or a portion of an account to another ABLE savings account, the designated beneficiary of which is a member of the family as defined in section 529A of the Internal Revenue Code of 1986, as amended.

No account owner shall use an interest in an account as security for a loan. Any pledge of an interest in an account shall be of no force and effect.

(e) If there is any distribution from an account to any individual or for the benefit of any individual during a calendar year, the distribution shall be reported to the Internal Revenue Service and to the account owner, designated beneficiary, or distributee to the extent required by state or federal law.

(f) Statements shall be provided to each account owner at least four times each year within thirty days after the end of the three-month period to which a statement relates. The statement shall identify the contributions made during the preceding three-month period, the total contributions made to the account through the end of the period, the value of the account at the end of the period, distributions made during the period, and any other information that the director requires to be reported to the account owner. Statements and information relating to accounts shall be prepared and filed to the extent required by this chapter and any other state or federal law.

(g) The program shall provide a separate accounting for each designated beneficiary.

§ -6 **Account funds.** Moneys in an ABLE savings account:

- (1) Shall be exempt from attachment, execution, or garnishment as provided by section 651-124; and
- (2) May be claimed by the medicaid plan subject to limitations imposed by the secretary.

§ -7 **Accounts not guaranteed by the State.** (a) Nothing in this chapter shall create or be construed to create any obligation of the director, the State, or any agency or instrumentality of the State to guarantee for the benefit of any account owner or designated beneficiary with respect to the:

- (1) Return of principal;
  - (2) Rate of interest or other return on any account; or
  - (3) Payment of interest or other return on any account.
- (b) The director shall adopt rules to provide that every contract, application, or other similar document that may be used in connection with opening an account clearly indicates that the account is not insured by the State and that the principal deposited and the investment return are not guaranteed by the State.

§ -8 **Hawaii ABLE savings program trust fund.** (a) There is established the Hawaii ABLE savings program trust fund within the treasury of the State. The fund shall consist of moneys received from an ABLE savings program manager, any governmental or private grants, and any general fund appropriations for the program.

(b) The fund shall be used if the director elects to accept deposits from contributors, rather than have deposits sent directly to the program manager. The fund shall consist of any moneys deposited by contributors in accordance with this chapter which are not deposited directly with the program manager.

(c) All interest derived from the deposit and investment of moneys in the savings program trust fund shall be credited to the fund. At the end of any fiscal year, all unexpended and unencumbered moneys in the savings program trust fund shall remain in the savings program trust fund and shall not be credited or transferred to the general fund or any other funds.

(d) All expenses incurred by the director in developing and administering the ABLE savings program shall be payable from the Hawaii ABLE savings program trust fund.”

SECTION 3. Section 651-124, Hawaii Revised Statutes, is amended to read as follows:

“§651-124 **Pension money exempt.** The right of a debtor to a pension, annuity, retirement or disability allowance, death benefit, any optional benefit, or any other right accrued or accruing under any retirement plan or arrangement described in section 401(a), 401(k), 403(a), 403(b), 408, 408A, 409 (as in effect prior to January 1, 1984), 414(d), or 414(e) of the Internal Revenue Code of 1986, as amended, or any fund created by the plan or arrangement, or any ABLE savings account established pursuant to chapter, shall be exempt from attachment, execution, seizure, the operation of bankruptcy or insolvency laws under 11 United States Code section 522(b), or under any legal process whatever. However, this section shall not apply to:

- (1) A “qualified domestic relations order” as defined in section 206(d) of the Employee Retirement Security Act of 1974, as amended, or in section 414(p) of the Internal Revenue Code of 1986, as amended; and

- (2) Contributions made to a plan or arrangement within the three years before the date a debtor files for bankruptcy, whether voluntary or involuntary, or within three years before the date a civil action is initiated against the debtor, except for contributions to a retirement plan established by state statute if the effect would be to eliminate a state employee's retirement service credit."

SECTION 4. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2015.

(Approved July 2, 2015.)

## ACT 207

S.B. NO. 521

A Bill for an Act Authorizing the Issuance of Special Purpose Revenue Bonds to Waimea Nui Community Development Corporation.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the issuance of special purpose revenue bonds pursuant to this Act is in the public interest and for the public health, safety, and general welfare.

SECTION 2. Pursuant to part X, chapter 39A, Hawaii Revised Statutes, the department of budget and finance, with the approval of the governor, is authorized to issue special purpose revenue bonds in a total amount not to exceed \$45,000,000, in one or more series, for the purpose of assisting Waimea Nui Community Development Corporation, a private not-for-profit community development corporation, and one or more of its not-for-profit affiliates to finance, refinance, and reimburse costs related to the planning, acquisition, and construction of its agriculture, renewable energy, and educational facilities including bioenergy systems, micro-grid, agricultural processing facilities, water systems, agriculture infrastructure, equestrian and livestock facilities, aquaculture facilities, agriculture-related education facilities, purchase of tangible assets including land and improvements, acquisition and installation of information technology, other capital-related projects, and any costs that are necessarily or advisably incurred in order to provide such assistance or that are directly or indirectly related to any of the foregoing items. The legislature hereby finds and determines that the aforementioned activities and facilities constitute a project as defined in part X, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to a not-for-profit private community development corporation whose projects serve the general public.

SECTION 3. The special purpose revenue bonds and the refunding special purpose revenue bonds issued under this Act shall be issued pursuant to part X, chapter 39A, Hawaii Revised Statutes, relating to the power to issue special purpose revenue bonds to assist an agricultural enterprise project with any combination of land, buildings, and other improvements hereon, including without limitation irrigation systems and infrastructure including without limiting the generality of the foregoing, machinery, equipment, furnishings, and apparatus that are deemed necessary, suitable, or useful to the enterprise.



## ACT 208

SECTION 4. The department of budget and finance is authorized, from time to time, including times subsequent to June 30, 2020, to issue special purpose revenue bonds in whatever principal amounts the department shall determine to be necessary to refund the special purpose revenue bonds authorized in section 2 and to refund special purpose revenue bonds authorized in this section, regardless of whether the outstanding special purpose revenue bonds or refunding special purpose revenue bonds have matured or are the subject of redemption or whether the refunding special purpose revenue bonds shall be bonds for the multi-project programs described in section 2. In making this determination, the department shall comply with federal law relating to the exemption from federal income taxation of the interest on bonds of the nature authorized by this section.

SECTION 5. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2020.

SECTION 6. This Act shall take effect on July 1, 2015.

(Approved July 2, 2015.)

## ACT 208

S.B. NO. 661

A Bill for an Act Relating to Unmanned Aerial Systems Test Sites.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that there is a national need to safely integrate unmanned aerial systems into the national air space. The integration of unmanned aerial systems flights into the national air space will generate commercial potential of this technology, estimated to be worth more than \$13,600,000,000 during the first three years of integration and more than \$82,000,000,000 between 2015 and 2025, and create approximately 103,776 new jobs by 2025.

The legislature further finds that Hawaii offers many unique qualities to support unmanned aerial systems operations including: expansive over-water areas unencumbered by other aviation uses; proximity to the United States Pacific Command, which is projected to be a significant user of future unmanned aerial systems; opportunities for joint operations with Kauai's Pacific missile range facility; and opportunities for long-range point-to-point tests with partner ranges in Alaska and Oregon. Hawaii's proposed test ranges link to military and restricted areas used for current unmanned aerial systems operations. These sites include the Pohakuloa training area on the island of Hawaii, Bradshaw and Wheeler Army airfields, and Kauai's Pacific missile range facility. Test points within the ranges will be used to support shore- and ship-based development, testing and certification of new unmanned aerial systems, training and crew certification of operational unmanned aerial systems, and development of expanded and joint capabilities involving existing communications systems and operations tactics using unmanned aerial systems. The proposed Hawaii ranges have provided an important focus for the development of scientific applications of unmanned aerial systems, including numerous test flights.

The legislature additionally finds existing and potential civilian uses of unmanned aerial systems are wide-ranging, including emergency search and rescue operations; wildfire detection and management; fisheries management; agricultural monitoring; reef health surveys; hazardous spills monitoring; dam

and reservoir overflow detection; tsunami damage surveys and assessment; algal bloom detection and mapping; air quality monitoring; motor vehicle traffic management; lava flow monitoring; aerial photography for mapping; disaster management and damage assessment; power line monitoring; flood and pollution control; land use surveys; watershed management; wildlife tracking; geographical, geological, and archaeological surveys; atmospheric monitoring for commercial airline turbulence avoidance; and light detection and ranging mapping of coastal topography to detect beach erosion. In developing these applications, innovative research, business, and education opportunities will emerge, including the development of miniaturized, high performance remote sensing instruments; unmanned aerial systems tracking systems, including command and control hardware and software; training courses and certification programs for unmanned aerial systems operators; and education programs for potential users of unmanned aerial systems technologies.

The legislature also finds that in 2012, the United States Congress directed the Federal Aviation Administration to establish unmanned aerial systems research programs at six national test sites for the development of unmanned aerial systems operating standards and regulations. Hawaii, in partnership with Alaska and Oregon, submitted a tri-state proposal to establish the Pan-Pacific Unmanned Aerial Systems Test Range Complex and was designated by the Federal Aviation Administration as one of the six national test site operators, providing the tri-state team six months to organize and implement the Pan-Pacific Unmanned Aerial Systems Test Range Complex. The University of Alaska has established a board of directors to support performance of the management team and is establishing a Pan-Pacific Unmanned Aerial Systems Test Range Complex management team, to include a chief operating officer from all three states.

The purpose of this Act is to establish a Hawaii unmanned aerial systems test site chief operating officer position to serve on the Pan-Pacific Unmanned Aerial Systems Test Range Complex management team, establish a Hawaii unmanned aerial systems test site advisory board that will formulate an implementation plan and oversee test site development in the State, and appropriate funds for personnel and procurement costs associated with establishing the Hawaii unmanned aerial systems test site.

SECTION 2. Chapter 201, Hawaii Revised Statutes, is amended by adding two new sections to part V to be appropriately designated and to read as follows:

**“§201- Hawaii unmanned aerial systems test site advisory board; established.** (a) There is established a Hawaii unmanned aerial systems test site advisory board, as a subcommittee of the Hawaii aerospace advisory committee, to oversee the planning and operation of the Hawaii unmanned aerial systems test site.

- (b) The board shall be composed of seven members as follows:
- (1) The adjutant general, or the adjutant general’s designee;
  - (2) The director of transportation, or the director’s designee;
  - (3) The director of business, economic development, and tourism, or the director’s designee;
  - (4) The president of the University of Hawaii, or the president’s designee;
  - (5) One member representing the Hawaii business community, to be appointed by the governor pursuant to section 26-34; and

- (6) Two members representing the aerospace or aviation industries, to be appointed by the governor pursuant to section 26-34.

Each board member shall serve for a term of four years; provided that the initial terms shall be staggered, as determined by the governor.

(c) Members of the board shall not receive compensation for their services but shall be reimbursed for necessary expenses, including travel expenses, incurred in the performance of their duties under this section.

**§201- Hawaii unmanned aerial systems test site chief operating officer.**

The department shall hire a chief operating officer who shall manage the operations of Hawaii's unmanned aerial systems test site. The chief operating officer shall:

- (1) Monitor, oversee, and recommend operations of unmanned aerial systems test site activities;
- (2) Facilitate opportunities for public and private use of unmanned aerial systems test site facilities;
- (3) Assist unmanned aerial systems test ranges;
- (4) Leverage aerospace and related technological capabilities in the State's academic, public, and private sectors to support testing and evaluation at Hawaii's unmanned aerial systems test ranges;
- (5) Promote innovative education and workforce development programs to enhance public awareness of the benefits and opportunities that unmanned aerial systems technologies and applications can bring to the State;
- (6) Monitor national and global trends in unmanned aerial systems development and testing, and recommend policies and programs to advance unmanned aerial systems testing in Hawaii;
- (7) Establish and maintain a public website with updated information on the program and provide information on the Hawaii unmanned aerial systems test site initiative;
- (8) Contract for services and implement agreements, subject to chapter 103D, as may be necessary to conduct operations at Hawaii's unmanned aerial systems test ranges;
- (9) Serve as Hawaii's representative on the Pan-Pacific Unmanned Aerial Systems Test Range Complex management team; and
- (10) Submit an annual report to the legislature no later than twenty days prior to the convening of each regular session, which shall include the status of work, expenditures, and trends regarding Hawaii's unmanned aerial systems test site.

The chief operating officer may employ one administrative assistant for Hawaii's unmanned aerial systems test site operations and activities."

SECTION 3. Section 84-17, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) The following persons shall file annually with the state ethics commission a disclosure of financial interests:

- (1) The governor, the lieutenant governor, the members of the legislature, and delegates to the constitutional convention; provided that delegates to the constitutional convention shall only be required to file initial disclosures;
- (2) The directors and their deputies, the division chiefs, the executive directors and the executive secretaries and their deputies, the purchasing agents and the fiscal officers, regardless of the titles by

- which the foregoing persons are designated, of every state agency and department;
- (3) The permanent employees of the legislature and its service agencies, other than persons employed in clerical, secretarial, or similar positions;
  - (4) The administrative director of the State, and the assistants in the office of the governor and the lieutenant governor, other than persons employed in clerical, secretarial, or similar positions;
  - (5) The hearings officers of every state agency and department;
  - (6) The president, the vice presidents, assistant vice presidents, the chancellors, and the provosts of the University of Hawaii and its community colleges;
  - (7) The superintendent, the deputy superintendent, the assistant superintendents, the complex area superintendents, the state librarian, and the deputy state librarian of the department of education;
  - (8) The administrative director and the deputy director of the courts;
  - (9) The members of every state board or commission whose original terms of office are for periods exceeding one year and whose functions are not solely advisory;
  - (10) Candidates for state elective offices, including candidates for election to the constitutional convention, provided that candidates shall only be required to file initial disclosures; ~~and~~
  - (11) The administrator and assistant administrator of the office of Hawaiian affairs~~;~~ and
  - (12) The Hawaii unmanned aerial systems test site chief operating officer.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$150,000 or so much thereof as may be necessary for fiscal year 2015-2016 for the purpose of staffing and operating Hawaii's unmanned aerial systems test site activities.

The sums appropriated shall be expended by the department of business, economic development, and tourism for the purposes of this Act.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

SECTION 6. This Act shall take effect on July 1, 2015.

(Approved July 2, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 209**

H.B. NO. 1491

A Bill for an Act Relating to Campaign Spending.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 11-323, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The noncandidate committee organizational report shall include:

- (1) The committee's name, which shall incorporate the full name of the sponsoring entity, if any. An acronym or abbreviation may be used in other communications if the acronym or abbreviation is commonly known or clearly recognized by the general public. The committee's name shall not include the name of a candidate;
- (2) The committee's address, including web page address, if any;
- (3) The area, scope, or jurisdiction of the committee;
- (4) The name and address of the committee's sponsoring entity. If the committee does not have a sponsoring entity, the committee shall specify the trade, profession, or primary interest of contributors to the committee;
- (5) The name, address, telephone number, occupation, and principal place of business of the chairperson;
- (6) The name, address, telephone number, occupation, and principal place of business of the treasurer and any other officers;
- (7) An indication as to whether the committee was formed to support or oppose a specific ballot question or candidate and, if so, a brief description of the question or the name of the candidate;
- (8) An indication as to whether the committee is a political party committee;
- (9) The name, address, telephone number, occupation, and principal place of business of the custodian of the books and accounts;
- (10) The name and address of the depository institution in which the committee will maintain its campaign account and each applicable account number;
- (11) A certification by the chairperson and treasurer of the statements in the organizational report; and
- (12) The name, address, employer, and occupation of each contributor who contributed an aggregate amount of more than \$100 to the noncandidate committee since the last election and the amount and date of deposit of each such contribution[-]; provided that, for non-candidate committees making only independent expenditures, if a contribution of more than \$10,000 in the aggregate in an election period is received from an entity other than an individual, for-profit business entity, or labor union, then the report shall include:
  - (A) The internet address where the contributing entity's disclosure report can be publicly accessed, if the contributing entity is subject to any state or federal disclosure reporting requirements regarding the source of the contributing entity's funds;
  - (B) The name, address, occupation, and employer of each funding source of \$100 or more in the aggregate in an election period to that contributing entity; or
  - (C) An acknowledgment that the contributing entity is not subject to any state or federal disclosure reporting requirements regarding the source of the contributing entity's funds."

SECTION 2. Section 11-335, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Schedules filed with the reports shall include the following additional information:

- (1) The amount and date of deposit of each contribution received and the name, address, occupation, and employer of each contributor making a contribution aggregating more than \$100 during an elec-

tion period, which was not previously reported; provided that if [all]:

- (A) All the information is not on file, the contribution shall be returned to the contributor within thirty days of deposit; and
- (B) A noncandidate committee making only independent expenditures receives a contribution of more than \$10,000 in the aggregate in an election period from an entity other than an individual, for-profit business entity, or labor union, then the schedule shall include:
  - (i) The internet address where the contributing entity's disclosure report can be publicly accessed, if the contributing entity is subject to state or federal disclosure reporting requirements regarding the source of the contributing entity's funds;
  - (ii) The name, address, occupation, and employer of each funding source that contributed \$100 or more in the aggregate in an election period to that contributing entity; or
  - (iii) An acknowledgment that the contributing entity is not subject to any state or federal disclosure reporting requirements regarding the source of the contributing entity's funds;
- (2) The amount and date of each contribution made and the name and address of the candidate, candidate committee, or noncandidate committee to which the contribution was made;
- (3) All expenditures, including the name and address of each payee and the amount, date, and purpose of each expenditure; provided that:
  - (A) Expenditures for advertisements or electioneering communications shall include the names of the candidates supported, opposed, or clearly identified;
  - (B) Expenditures for consultants, advertising agencies and similar firms, credit card payments, salaries, and candidate reimbursements shall be itemized to permit a reasonable person to determine the ultimate intended recipient of the expenditure and its purpose;
  - (C) Independent expenditures shall include the name of any candidate supported, opposed, or clearly identified; and
- [H(D)] The purpose of an independent expenditure shall include the name of the candidate who is supported or opposed by the expenditure, and whether the expenditure supports or opposes the candidate;
- (4) For noncandidate committees making only independent expenditures, certification that no expenditures have been coordinated with a candidate, candidate committee, or any agent of a candidate or candidate committee;
- (5) The amount, date of deposit, and description of other receipts and the name and address of the source of each of the other receipts;
- (6) A description of each durable asset, the date of acquisition, value at the time of acquisition, and the name and address of the vendor or contributor of the asset; and
- (7) The date of disposition of a durable asset, value at the time of disposition, method of disposition, and name and address of the person receiving the asset."

## ACT 210

SECTION 3. Section 11-338, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

- “(b) The late contribution report shall include the following information:
- (1) Name, address, occupation, and employer of the contributor;
  - (2) Name of the candidate, candidate committee, or noncandidate committee making or receiving the contribution; provided that, for noncandidate committees making only independent expenditures, if a late contribution greater than \$5,000 in the aggregate is received from an entity other than an individual, for-profit business entity, or labor union, then the report shall include:
    - (A) The internet address where the contributing entity’s disclosure report can be publicly accessed, if the contributing entity is subject to any state or federal disclosure reporting requirements regarding the source of the contributing entity’s funds;
    - (B) The name, address, occupation, and employer of each funding source of more than \$100 in the aggregate to that contributing entity; or
    - (C) An acknowledgment that the contributing entity is not subject to any state or federal disclosure reporting requirements regarding the source of the contributing entity’s funds;
  - (3) The amount of the contribution received;
  - (4) The amount of the contribution made;
  - (5) The contributor’s aggregate contributions to the candidate, candidate committee, or noncandidate committee; and
  - (6) The purpose, if any, to which the contribution will be applied, including, for contributions to a noncandidate committee, the name of any candidate supported, opposed, or clearly identified.”

SECTION 4. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect on January 1, 2016.

(Approved July 2, 2015.)

## ACT 210

H.B. NO. 1343

A Bill for an Act Relating to Public Safety.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that after a natural disaster, business recovery is vital to helping entire communities recover. Businesses play an important role in providing resources and information after a natural disaster. Establishment of a business recovery center to facilitate communication between state and county agencies and local businesses will assist in this effort.

The legislature further finds that the department of defense was recently awarded \$1,159,000 in federal funds from the United States Department of Commerce to be used for the establishment of a business recovery center. In

order to access these federal funds, state matching funds of \$328,000 must also be provided.

The purpose of this Act is to appropriate moneys for the establishment of a business recovery center within the department of defense.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$328,000 or so much thereof as may be necessary for fiscal year 2015-2016 for the purpose of matching federal funds to establish a business recovery center.

The sum appropriated shall be expended by the department of defense for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2015.

(Approved July 2, 2015.)

## ACT 211

H.B. NO. 589

A Bill for an Act Relating to Stroke Care.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the rapid identification, diagnosis, and treatment of strokes can save the lives of stroke patients and, in some cases, can reverse neurological damage such as speech and language impairments or paralysis, leaving stroke patients with few or no neurological deficits. Despite significant advances in diagnosis, treatment, and prevention, stroke is a leading cause of death nationally and in Hawaii. An estimated 795,000 new and recurrent strokes occur each year in this country. With the aging of the population, the number of persons who have strokes is projected to increase. Although treatments are available to improve the clinical outcomes of stroke, acute care hospitals need sufficient trained staff and equipment to optimally triage and treat stroke patients. A system is needed in our communities to ensure the provision of optimal, safe, and effective emergency care in a timely manner to improve the overall treatment of stroke patients in order to increase survival and decrease incidents of disabilities associated with stroke. This system of care should include input and advice from national subject matter organizations such as the American Heart Association, American Stroke Association, and Brain Attack Coalition. The legislature further finds that the establishment of a stroke coalition and a stroke database will build on the work and infrastructure developed through S.C.R. No. 155 S.D. 1 (2013).

SECTION 2. Chapter 321, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

### **“PART . STROKE CARE**

**§321- Definitions.** As used in this part, unless the context requires otherwise:

“Department” means the department of health.

“Stroke coalition” means a multi-organizational process of public, private, and nonprofit organizations working together for a common purpose to improve stroke outcomes throughout the State.



“Stroke database” means a stroke coalition-approved, existing, nationally recognized and validated data platform available to the department and all participating hospitals statewide and that has features to maintain confidentiality standards and data security.

**§321- Stroke system of care; department duties.** (a) The department shall participate in a systematic process to evaluate, improve, and sustain stroke care throughout the State to reduce death and disability from stroke. The stroke system of care shall include:

- (1) The requirement that hospitals meet specific stroke patient treatment capabilities that will ensure that stroke patients receive safe and effective care;
  - (2) The coordination with the State’s emergency medical services system to ensure that stroke patients are quickly identified, transported to, and treated in facilities that have specialized programs for providing timely and effective treatment for stroke patients to improve outcomes; and
  - (3) The continuation of a statewide stroke coalition to provide a mechanism to evaluate and improve stroke care in the State.
- (b) The department shall participate in the stroke coalition to:
- (1) Provide agreed upon state level reports of de-identified and aggregated data to the stroke coalition, government agencies, hospitals, researchers, and other interested parties that have a role in improving stroke care;
  - (2) Analyze data generated by the stroke database to identify potential interventions to improve stroke response and treatment;
  - (3) Identify issues related to early identification, triage, treatment, and transport of possible acute stroke patients;
  - (4) Encourage sharing of information and data among health care providers on ways to improve the quality of care of stroke patients in the State; and
  - (5) Develop and implement strategies to improve stroke early identification and treatment, including identifying specific hospital capabilities to receive, treat, and transfer stroke patients.

**§321- Stroke database.** (a) All acute care hospitals that receive stroke patients from emergency medical services shall report data consistent with requirements of the stroke database on the treatment of all individuals with a suspected or confirmed stroke.

(b) The department shall participate in a stroke database that compiles information and statistics on stroke care that aligns with the consensus stroke metrics developed and approved by national subject-matter organizations and utilize it to support the stroke coalition’s evaluation of stroke care in the State for performance improvement.

**§321- Confidential information.** The department and stroke coalition shall not disclose any confidential information or other data in violation of the federal and state privacy regulations.”

SECTION 3. This Act shall take effect upon its approval.

(Approved July 2, 2015.)

## ACT 212

H.B. NO. 467

A Bill for an Act Relating to Health.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that congenital heart defects are structural abnormalities of the heart that are present at birth and are the number one killer of infants with birth defects. Congenital heart defects range in severity, from simple problems such as holes between chambers of the heart, to severe malformations such as the complete absence of one or more chambers or valves. Some congenital heart defects can cause severe or life-threatening symptoms that require intervention within the first few days of life.

Pulse oximetry is a non-invasive test that estimates the percentage of hemoglobin in blood that is saturated with oxygen. When performed on newborns in birthing facilities, pulse oximetry is effective at detecting critical, life-threatening congenital heart defects, which otherwise go undetected by current screening methods. The legislature finds that many newborn lives can potentially be saved by earlier detection and treatment of congenital heart defects if birthing facilities in the State are required to perform this simple, non-invasive newborn screening in conjunction with current congenital heart disease screening methods.

The purpose of this Act is to require birthing facilities to perform a pulse oximetry test or other medically accepted test that measures the percentage of blood oxygen saturation.

SECTION 2. Chapter 321, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§321- Newborn pulse oximetry screening.** (a) Prior to discharge of any newborn in its care, a birthing facility shall perform on the newborn a pulse oximetry test for critical congenital heart defects or other medically accepted test that measures the percentage of blood oxygen saturation, as approved by the guidelines of the American Academy of Pediatrics.

(b) Subsection (a) shall not apply if the parents, guardians, or other persons having custody or control of the newborn object to performance of the test required by subsection (a) on the grounds that the test conflicts with their religious tenets and beliefs and written objection is made a part of the newborn’s medical record.

(c) Each birthing facility shall report critical congenital heart defect screening data to the department of health for quality assurance and improvement activities. At a minimum, the data shall include:

- (1) Newborns screened and not screened;
- (2) The timing of screening after birth;
- (3) Pulse oximetry results;
- (4) The outcomes of newborns who fail pulse oximetry screening; and
- (5) Infants who are detected with a critical congenital heart defect and who pass pulse oximetry screening.

(d) For the purposes of this section, “birthing facility” means an inpatient or ambulatory health care facility licensed by the department of health that provides birthing and newborn care services.”

SECTION 3. New statutory material is underscored.<sup>1</sup>

SECTION 4. This Act shall take effect on July 1, 2015.

(Approved July 2, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

A Bill for an Act Relating to Health.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. It is estimated that one in five hundred children in the State are born with orofacial anomalies such as cleft lip or cleft palate. Orthodontic services for the treatment of orofacial anomalies are not included as a benefit of commercial health plans. Without orthodontic treatment, appropriate care and reconstructive surgical outcomes are compromised and result in functional deficiencies in chewing, swallowing, respiration, and speech, as well as unstable or malpositioned oral structures, premature tooth loss, and other health problems.

Orthodontic services have for several years been a covered benefit of the Hawaii medicaid program.

The legislature finds that the state auditor's 2014 sunrise study on the advisability of mandating insurance coverage for orofacial anomalies, Report No. 14-08, found that coverage should be required as it would provide a substantial social benefit in exchange for a minimal cost to private insurers. Coverage would mitigate a significant financial hardship for working families whose private medical insurance does not cover medically necessary orthodontic services for their children born with orofacial anomalies. The legislature further finds that overall treatment costs are not likely to increase due to the limited usage of those services by such a small portion of the general population.

The purpose of this Act is to promote access to quality health care procedures in the State by requiring health insurance coverage of medically necessary orthodontic treatment of orofacial anomalies.

SECTION 2. This Act shall be known and may be cited as "Anya's Law".

SECTION 3. Chapter 431, Hawaii Revised Statutes, is amended by adding a new section to article 10A to be appropriately designated and to read as follows:

**"§431:10A- Orthodontic services for orofacial anomalies; benefits and coverage; notice.** (a) Each individual and group accident and health or sickness insurance policy, contract, plan, or agreement issued or renewed in this State after December 31, 2015, shall provide to the policyholder and individuals under twenty-six years of age covered under the policy, contract, plan, or agreement, coverage of medically necessary orthodontic services for the treatment of orofacial anomalies resulting from birth defects or birth defect syndromes. Coverage required by this section shall be paid for by medical insurance.

(b) Every insurer shall provide written notice to its policyholders regarding the coverage required by this section. The notice shall be in writing and prominently positioned in any literature or correspondence sent to policyholders and shall be transmitted to policyholders within calendar year 2016 when annual information is made available to members or in any other mailing to members, but in no case later than December 31, 2016.

(c) Orthodontic services for treatment of orofacial anomalies provided under this section shall be subject to a maximum benefit of \$5,500 per treatment phase, but shall not be subject to limits on the number of visits to an orthodontist. After December 31, 2016, the insurance commissioner, on an annual basis, shall adjust the maximum benefit for inflation using the medical care component of the United States Department of Labor Consumer Price Index for all urban consumers. The commissioner shall publish the adjusted maximum benefit an-

nually no later than April 1 of each calendar year, which shall apply during the following calendar year to accident and health or sickness insurance policies, contracts, plans, or agreements subject to this section. Payments made by an insurer on behalf of a covered individual for any care, treatment, intervention, or service other than orthodontic services, shall not be applied toward any maximum benefit established under this subsection.

(d) Coverage under this section may be subject to copayment, deductible, and coinsurance provisions of an accident and health or sickness insurance policy, contract, plan, or agreement that are no less favorable than the copayment, deductible, and coinsurance provisions for other medical services covered by the policy, contract, plan, or agreement.

(e) This section shall not be construed as limiting benefits that are otherwise available to an individual under an accident and health or sickness insurance policy, contract, plan, or agreement.

(f) Coverage for treatment under this section shall not be denied on the basis that the treatment is habilitative or non-restorative in nature.

(g) This section shall not apply to limited benefit health insurance as provided pursuant to section 431:10A-102.5.

(h) As used in this section, unless the context clearly requires otherwise: "Orofacial anomalies" means cleft lip or cleft palate and other birth defects of the mouth and face affecting functions such as eating, chewing, speech, and respiration.

"Orthodontic services" mean direct or consultative services provided by a licensed dentist with a certification in orthodontics by the American Board of Orthodontics.

"Treatment of orofacial anomalies" includes the care prescribed, provided, or ordered for an individual diagnosed with an orofacial anomaly by a craniofacial team that includes a licensed dentist, orthodontist, oral surgeon, and physician, and is coordinated between specialists and providers."

SECTION 4. Chapter 432, Hawaii Revised Statutes, is amended by adding a new section to article 1 to be appropriately designated and to read as follows:

**"§432:1- Orthodontic services for orofacial anomalies, benefits and coverage; notice.** (a) Notwithstanding any law to the contrary, each individual and group hospital or medical service plan contract issued or renewed in this State after December 31, 2015, shall provide to the member and individuals under twenty-six years of age covered under the plan contract coverage for medically necessary orthodontic services for the treatment of orofacial anomalies resulting from birth defects or birth defect syndromes. Coverage required by this section shall be paid for by medical insurance.

(b) Every mutual benefit society shall provide written notice to its members regarding the coverage required by this section. The notice shall be in writing and prominently positioned in any literature or correspondence sent to members and shall be transmitted to members within calendar year 2016 when annual information is made available to members or in any other mailing to members, but in no case later than December 31, 2016.

(c) Coverage provided under this section shall be subject to a maximum benefit of \$5,500 per treatment phase but shall not be subject to any limits on the number of visits to an orthodontist. After December 31, 2016, the insurance commissioner, on an annual basis, shall adjust the maximum benefit for inflation, using the medical care component of the United States Department of Labor Consumer Price Index for all urban consumers. The commissioner shall

publish the adjusted maximum benefit annually no later than April 1 of each calendar year, which shall apply during the following calendar year to the plan contracts subject to this section. Payments made by a mutual benefit society on behalf of a covered individual for any care, treatment, intervention, service, or item, the provision of which was for the treatment of a health condition unrelated to the covered individual's orofacial anomaly, shall not be applied toward any maximum benefit established under this subsection.

(d) Coverage under this section shall be subject to copayment, deductible, and coinsurance provisions of a plan contract to the extent that other medical services covered by the plan contract are subject to these provisions.

(e) This section shall not be construed as limiting benefits that are otherwise available to an individual under a plan contract.

(f) This section shall not apply to limited benefit health insurance as provided pursuant to section 431:10A-102.5.

(g) As used in this section, unless the context clearly requires otherwise: "Orofacial anomalies" means cleft lip or cleft palate and other birth defects of the mouth and face affecting functions such as eating, chewing, speech, and respiration.

"Orthodontic services" means direct or consultative services provided by a licensed dentist with a certification in orthodontics by the American Board of Orthodontics.

"Treatment of orofacial anomalies" includes the care prescribed, provided, or ordered for an individual diagnosed with an orofacial anomaly by a craniofacial team that includes a licensed dentist, orthodontist, oral surgeon, and physician, and is coordinated between specialists and providers."

SECTION 5. Section 432D-23, Hawaii Revised Statutes, is amended to read as follows:

**"§432D-23 Required provisions and benefits.** Notwithstanding any provision of law to the contrary, each policy, contract, plan, or agreement issued in the State after January 1, 1995, by health maintenance organizations pursuant to this chapter, shall include benefits provided in sections 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116, 431:10A-116.2, 431:10A-116.5, 431:10A-116.6, 431:10A-119, 431:10A-120, 431:10A-121, 431:10A-122, 431:10A-125, 431:10A-126, [~~431:10A-122, and 431:10A-116.2,~~] and 431:10A-, and chapter 431M."

SECTION 6. The coverage and benefits to be provided by a health maintenance organization under section 5 of this Act shall begin for all policies, contracts, plans, or agreements issued or renewed in this State by a health maintenance organization after December 31, 2015.

SECTION 7. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

SECTION 8. This Act shall take effect on July 1, 2015.

(Approved July 2, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 214**

H.B. NO. 10

A Bill for an Act Relating to Education.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 302A-1164, Hawaii Revised Statutes, is amended as follows:

1. By amending its title to read:

**“§302A-1164 Self-administration of medication by student and emergency administration; self-testing and self-management of diabetes by student; assistance with diabetes testing; permitted.”**

2. By amending subsections (a) and (b) to read:

“(a) The department shall permit:

- (1) The self-administration of medication by a student for asthma, anaphylaxis, diabetes, or other potentially life-threatening illnesses; and
- (2) Department employees and agents to volunteer to administer ~~glucagon~~:

(A) Insulin or assist a student in administering insulin via the insulin delivery system that the student uses;

(B) Glucagon in an emergency situation to students with diabetes[-]; or

(C) Auto-injectable epinephrine in an emergency situation to students with anaphylaxis.

- (b) The student’s parent or guardian shall provide the department with:

- (1) Written authorization for the self-administration of medication or the emergency administration of glucagon[;] or auto-injectable epinephrine;

- (2) In the case of self-administration of medication[-, written]:

(A) Written certification from the student’s physician, advanced practice registered nurse, or physician assistant stating that the student with diabetes may perform the student’s own blood glucose checks, administer insulin through the student’s insulin delivery system, and otherwise attend to the care and management of the student’s diabetes during any school-related activity, and that the student may possess on the student’s person all necessary supplies and equipment to perform the diabetes monitoring and treatment activities, if applicable; and

(B) Written certification from the student’s physician, advanced practice registered nurse, or physician assistant stating that the student:

~~[(A)]~~ (i) Has asthma, anaphylaxis, or another potentially life-threatening illness; and

~~[(B)]~~ (ii) Is capable of, and has been instructed in, the proper method of self-administration of medication; and

- (3) In the case of administration of insulin or emergency administration of glucagon to a student with diabetes[-]; or auto-injectable epinephrine to a student with anaphylaxis, written certification from the student’s physician, advanced practice registered nurse, or physician assistant stating that the student has medical orders that insulin, glucagon, or auto-injectable epinephrine may be administered by a volunteer.”

3. By amending subsection (g) to read:

“(g) Any employee or agent who volunteers to administer insulin or glucagon in an emergency situation to a student with diabetes or auto-injectable epinephrine to a student with anaphylaxis shall receive instruction in the proper administration of insulin, glucagon, or auto-injectable epinephrine by a qualified health care professional. A “qualified health care professional” means a licensed physician, physician assistant, advanced practice registered nurse or registered nurse, or certified diabetes educator. The student’s parent or guardian shall supply the school with the glucagon kit required to administer the glucagon[-].

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any supplies necessary to administer insulin, or with auto-injectable epinephrine supplies to administer epinephrine. The school shall store the glucagon kit, insulin supplies, or auto-injectable epinephrine supplies in a secure but accessible location."

SECTION 2. No later than twenty days prior to the convening of the regular session of 2016, the department of education shall submit a report to the legislature that includes:

- (1) The status of the implementation of section 1 of this Act;
- (2) Any cost factors and considerations for the implementation of section 1 of this Act;
- (3) The training needs of the department of education to meet the requirements of section 1 of this Act; and
- (4) Any proposed legislation.

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2015.

(Approved July 2, 2015.)

ACT 215

S.B. NO. 1001

A Bill for an Act Relating to Manufacturing.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 206M, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**"§206M- Manufacturing development program; established.** (a) There is established the manufacturing development program, through which the development corporation may provide grants to any business in Hawaii that is a manufacturer in the State and requires assistance for any of the following items:

- (1) Purchasing of manufacturing equipment;
- (2) Training of employees on the use of manufacturing equipment;
- (3) Improving existing energy efficiency manufacturing equipment or the purchase of improved energy efficiency equipment in the manufacturing process; or
- (4) Studying or planning the implementation of a new manufacturing facility;

provided that no grant shall exceed twenty per cent of the cost of any of the above items, and no company shall receive a grant exceeding \$100,000 in any given year.

(b) All moneys necessary to carry out the purposes of this section shall be appropriated by the legislature through appropriations out of the state general fund.

(c) In reviewing grant applications pursuant to this section, the development corporation shall analyze each application to determine whether the item to be undertaken will be economically viable and beneficial to the State.

(d) The development corporation shall submit a report to the legislature no later than twenty days prior to the convening of the regular session held in every even-numbered year. The report shall include the following items:

- (1) The total number of grants provided;
- (2) The sectors provided with grants;
- (3) The total projected economic and employment growth facilitated by the grants provided; and
- (4) The actual economic and employment growth that occurred as a result of the grants provided.”

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 to facilitate the provision of grants by the high technology development corporation to manufacturing businesses in Hawaii for certain purchases and employee training purposes.

The sum appropriated shall be expended by the high technology development corporation for the purposes of this Act.

SECTION 3. The high technology development corporation shall include in its base budget request for the subsequent fiscal period the amounts necessary to effectuate this Act.

SECTION 4. New statutory material is underscored.<sup>1</sup>

SECTION 5. This Act shall take effect on July 1, 2015.

(Approved July 7, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 216**

H.B. NO. 1069

A Bill for an Act Relating to Technology.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the Hawaii small business innovation research program has successfully helped many Hawaii businesses win coveted federal funding through the federal small business innovation research program and has also helped many small businesses further develop their intellectual property. However, while successful, the current statute only authorizes the Hawaii small business innovation research program to provide grants for phase I (startup) awardees, and not those in phase II (prototyping) or phase III (commercialization). This hinders local businesses from fully commercializing their research and limits job creation and economic activity.

The legislature also finds that Hawaii companies that win federal small business innovation research funding should then be able to apply to the Hawaii small business innovation research program for small business innovation research phase II or phase III matching funds. Expanding the matching grant program will provide the necessary funding for Hawaii's high technology companies to break out of the research and development cycle and transform advanced research into innovative products, services, and companies. In particular, expanding the current matching funds program would permit Hawaii's high technology companies to successfully evolve from research and development only entities into commercially viable, globally competitive businesses.



The legislature further finds that expanding the current matching funds program would not only expand Hawaii's high technology industry, but would also bolster the State's effort to diversify and strengthen the local economy in anticipation of the next economic downturn. Expanding the current matching funds program will also serve to further the public interest in reducing "brain drain." The State has been losing too many of Hawaii's exceptional young people to other states and countries because of the limited number of high-growth, high-paying industries and jobs to keep them here or bring them back. In addition, many of the small business innovation research companies in Hawaii are also involved in dual-use work for the military, and as such, the expansion of the matching funds program will help bolster Hawaii's importance to the military and help keep the military invested in the State.

The purpose of this Act is to expand the Hawaii small business innovation research program to provide a match for phase II and phase III awardees to diversify Hawaii's economy, secure the investment of millions of federal dollars into the Hawaii economy, and provide a framework for young people to create their own high tech companies as part of the State's plan to establish an innovation economy in Hawaii.

SECTION 2. Section 206M-15, Hawaii Revised Statutes, is amended to read as follows:

**"§206M-15 High technology research and development loans and grants.**

(a) All moneys necessary to carry out the purposes of this section shall be allocated by the legislature through appropriations out of the state general fund. The development corporation shall include in its budgetary request for the upcoming fiscal period, the amounts necessary to effectuate the purposes of this section. All moneys, interest charges, and other fees collected by the development corporation under this section shall be deposited to the credit of the state general fund. In making any expenditure under this section, the development corporation shall analyze each funding request to determine whether the project to be undertaken will be economically viable and beneficial to the State.

(b) The development corporation may provide grants to any business in Hawaii that:

- (1) Receives a federal small business innovation research phase I, II, or III award or contract from any participating federal agency, up to fifty per cent of the amount of the federal award or contract;
- (2) Receives a federal small business technology transfer program award or contract from any participating federal agency, up to fifty per cent of the amount of the federal award or contract; or
- (3) Applies for a small business innovation research federal grant or a small business technology transfer program federal grant, in an amount not to exceed \$3,000,

subject to the availability of funds.

(c) The development corporation shall adopt rules pursuant to chapter 91 that:

- (1) Specify the qualifications for eligibility of grant applicants;
- (2) Establish priorities in determining eligibility in the event that insufficient funds are available to fund otherwise qualified applicants; and
- (3) Give preference to all qualified businesses receiving their first award in one fiscal year over multiple award grantees.

The development corporation may adopt any other rules pursuant to chapter 91 necessary for the purposes of this section.

~~[(d) If funds appropriated for the purpose of making grants under this section are inadequate to satisfy all qualified requests, the development corporation shall apply for funds to be transferred from the Hawaii capital loan revolving fund to provide the grants in accordance with subsection (b). The amount of any single transfer of funds shall not exceed \$100,000, and the development corporation shall transfer the entire amount back to the Hawaii capital loan revolving fund within twelve months of receiving the funds. No more than one fund transfer shall be outstanding at any one time. The director of business, economic development, and tourism may transfer funds from the Hawaii capital loan revolving fund to the development corporation upon request to carry out the purposes of this section. Transfers of funds shall be made without any charges or fees.]”~~

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 for the purposes of providing grants and loans for phases II and III awards.

The sum appropriated shall be expended by the department of business, economic development, and tourism for the purposes of this Act.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2015.

(Approved July 7, 2015.)

## ACT 217

S.B. NO. 982

A Bill for an Act Relating to Medical Amnesty.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that Good Samaritan policies, also known as medical amnesty, are life-saving measures that are in the best interest of the public's health, safety, and welfare. These policies enable people to make responsible decisions by protecting them from punishment when they seek medical attention during an emergency involving alcohol or controlled substances.

The legislature also finds that the threat of criminal punishment may often cause people to hesitate from taking necessary action in such emergency situations. Time spent worrying about legal consequences delays the arrival of critically needed medical assistance. Even a short delay can mean the difference between life and death.

The legislature further finds that overdoses nationwide more than doubled between 2000 and 2006. Nationally, and in Hawaii, more people die from drug overdose than in car accidents. Drug overdoses have increased greatly in Hawaii, becoming the leading cause of injury-related mortality over the 2007-2012 period, as described by death certificates. Fatal drug poisonings in Hawaii have increased from eighty-three deaths in 1999 to one hundred eighty-three in 2011, with non-fatal poisonings increasing to a high of 4,714 in 2011 alone.

The legislature further finds that a report from Trust for America's Health titled "Prescription Drug Abuse: Strategies to Stop the Epidemic" identified ten best practices for states to implement to curb prescription drug abuse. Hawaii has six of these promising strategies in place, and the adoption of Good Sa-

maritan legislation would bring the number to seven. Such policies are already in place at more than two hundred forty colleges and universities across the United States and have been enacted as state law in twenty states, including Alaska, California, Colorado, Florida, New York, Utah, and Washington.

The legislature further finds that, if criminal punishment is intended to deter drug abuse, it is clearly too late to deter such abuse when a person is already suffering from an overdose. Good Samaritan policies should not be perceived as a "get out of jail free card" or a reward for illegal drug use. Rather, they enable individuals to make potentially life-saving decisions promptly and without hesitation.

The purpose of this Act is to provide limited immunity from liquor, controlled substance, and drug paraphernalia possession charges when a person calls for medical assistance during an alcohol or drug-related overdose emergency.

SECTION 2. Chapter 329, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**"§329- Overdose prevention; limited immunity.** (a) As used in this section:

"Drug or alcohol overdose" means:

- (1) A condition, including but not limited to extreme physical illness, decreased level of consciousness, respiratory depression, coma, mania, or death, that is the result of consumption or use of a controlled substance or alcohol or a substance with which the controlled substance or alcohol was combined; or
- (2) A condition that a layperson would reasonably believe to be a drug or alcohol overdose that requires medical assistance.

"Seeks medical assistance" or "seeking medical assistance" includes but is not limited to reporting a drug or alcohol overdose to law enforcement, the 911 system, a poison control center, or a medical provider; assisting someone so reporting; or providing care to someone who is experiencing a drug or alcohol overdose while awaiting the arrival of medical assistance.

(b) A person or persons who, in good faith, seek medical assistance for someone who is experiencing a drug or alcohol overdose and a person experiencing a drug or alcohol overdose who seeks medical assistance for the person's self or is the subject of such a good faith request shall not be arrested, charged, prosecuted, or convicted; have their property subject to civil forfeiture; or otherwise be penalized for:

- (1) Possession of a controlled substance or drug paraphernalia under this chapter or part IV of chapter 712;
- (2) Committing a prohibited act under section 281-101.5 or 712-1250.5;
- (3) Violation of a restraining order; or
- (4) Violation of probation or parole;

if the evidence for the arrest, charge, prosecution, conviction, seizure, or penalty was gained as a result of the seeking of medical assistance.

(c) The act of seeking medical assistance for someone who is experiencing a drug or alcohol overdose shall be considered by the court as a mitigating factor in any controlled substance or alcohol-related criminal prosecution for which immunity is not provided by this section."

SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 4. New statutory material is underscored.<sup>1</sup>

SECTION 5. This Act shall take effect upon its approval.

(Approved July 7, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 218**

S.B. NO. 376

A Bill for an Act Relating to a Farm to School Program.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that at least twenty states have established farm to school programs and coordinator positions to improve the health of children through the support of school gardens, health and nutrition education, agriculture, and the procurement of locally grown foods for school meals and snacks. A successful farm to school program can increase students' physical activity, school meal participation, and preference for fresh fruits and vegetables and improve academic achievement and student behavior.

The legislature further finds that Oregon, a national leader in the farm to school movement, has full-time farm to school coordinators in Oregon's department of agriculture and department of education. The coordinators work together and with stakeholders to increase educational opportunities and the procurement of locally grown foods for schools, encouraging the students' consumption of locally grown foods.

The legislature additionally finds that farm to school activities support a nutritious school food environment, and more than eighty-five per cent of the youth in Hawaii attend public schools. Students who participate in farm to school activities are more likely to be familiar with, have a preference for, and consume more fruits and vegetables at school and at home. Establishing healthy behaviors at an early age may prevent the onset of chronic disease and other health conditions later in life. The leading causes of death in Hawaii are heart disease, cancer, and diabetes, illnesses that are often associated with dietary behaviors. Investing in the health of children will help them to achieve greater educational attainment and lead to stronger communities. Moreover, Act 55, Session Laws of Hawaii 2013, encourages the purchase and use of Hawaii-grown food and food products by residents, businesses, and governmental bodies. Increasing the procurement of local agricultural products for schools has the added benefit of supporting the State's agricultural economy by providing an additional revenue source for local farmers.

The purpose of this Act is to create a farm to school program in the department of agriculture and to provide funding for a farm to school coordinator position to oversee the State's farm to school program.

SECTION 2. Chapter 141, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§141- Hawaii farm to school program; farm to school coordinator.**  
 (a) There is established within the department of agriculture a Hawaii farm to school program. The purpose of the farm to school program shall be to:

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- (1) Improve student health;
- (2) Develop an educated agricultural workforce;
- (3) Enrich the local food system through the support and increase of local food procurement for the State's public schools and other institutions;
- (4) Accelerate garden and farm-based education for the State's public school students; and
- (5) Expand the relationships between public schools and agricultural communities.

(b) The Hawaii farm to school program shall be headed by a farm to school coordinator who shall work in collaboration with the appropriate stakeholders to address the issues of supply, demand, procurement, and consumption of Hawaii-grown foods in state facilities, primarily education facilities, and take reasonable steps to incorporate more agriculture and nutrition education in schools."

SECTION 3. There is appropriated out of the agricultural development and food security special fund the sum of \$75,000 or so much thereof as may be necessary for fiscal year 2015-2016 for the establishment of one full-time equivalent (1.0 FTE) farm to school coordinator position in the department of agriculture.

The sum appropriated shall be expended by the department of agriculture for the purposes of this Act.

SECTION 4. New statutory material is underscored.<sup>1</sup>

SECTION 5. This Act shall take effect on July 1, 2015.

(Approved July 7, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 219**

**H.B. NO. 538**

A Bill for an Act Relating to Domestic Violence.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that victims of domestic violence currently lack meaningful support and viable options when establishing a plan to leave an abuser. Independence of a wireless phone plan may often aid these victims in formulating and following through on a means of escape, especially in situations where the abuser is the account manager for the cell phone plan, and as a result, may view any calls and account activity of phones associated with the shared or family cell phone plan.

The legislature further finds that the major wireless telecommunications service providers currently permit cancellation or removal of phone numbers or phones from shared or family wireless service contracts, albeit with substantial fees attached. The substantial cancellation fees often amplify the hardship faced by the domestic violence victim because of the financial challenges those fees can pose.

The legislature recognizes that a variety of options should be afforded to victims of domestic violence when seeking to be released from a shared or family cellular phone plan. While seeking a protective order issued by the family court to be released from a shared wireless plan is a viable option, the legislature recognizes that some victims of domestic violence may not be willing or financially able to obtain a court order. Accordingly, another viable option for a victim of domestic violence is to submit an opt-out request to be released from a shared or family cellular phone plan, especially under limited time constraints.

The purpose of this Act is to assist victims of domestic violence by providing victims with options to be released from shared or family cellular phone plans. Specifically, this Act:

- (1) Requires all wireless telecommunications service providers to release, without charge, penalty, or fee, victims of documented domestic violence from shared wireless plans involving their abuser; provided that the victims submit an opt-out request in writing and documentary evidence of domestic violence; and
- (2) Authorizes the family court to issue an order requiring wireless telecommunications service providers, without charge, penalty, or fee, to:
  - (A) Transfer billing authority and all rights to the wireless numbers of a shared wireless plan to a petitioner who has been granted an order of protection pursuant to chapter 586, Hawaii Revised Statutes, if the petitioner is not the account holder; or
  - (B) Remove or release a petitioner from a shared wireless plan and assign a substitute telephone number or numbers.

SECTION 2. Chapter 269, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§269- Release of domestic violence victims from shared wireless plans.** (a) All wireless telecommunications service providers shall release, without charge, penalty, or fee, any victim of domestic violence from a shared or family wireless service contract involving the victim’s abuser; provided that the victim submits an opt-out request in writing and with evidence of domestic violence as documented by any of the following items:

- (1) Valid police report documenting an instance or series of instances of domestic violence;
- (2) Order for protection granted pursuant to chapter 586; or
- (3) Signed affidavit from a licensed medical or mental health care provider, employee of a court acting within the scope of their employment, or social worker.

(b) Any victim of domestic violence who submits an opt-out request to a wireless telecommunications service provider pursuant to subsection (a) may further request a substitute or new phone number or alternative telecommunications service. Upon such request, the wireless telecommunications service provider shall provide a substitute or new phone number or alternative telecommunications service without charge, penalty, or fee and within twenty-four hours from the time the opt-out request is submitted to the wireless telecommunications service provider.

(c) For purposes of this section:

“Domestic violence” shall have the same meaning as in section 321-471.

“Wireless telecommunications service” shall have the same meaning as “commercial mobile radio service” as defined in title 47 Code of Federal Regulations section 20.3.

“Wireless telecommunications service provider” means a provider of wireless telecommunications service.”

SECTION 3. Chapter 586, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§586- Transfer or release of domestic violence victims from shared wireless plans.** (a) The court may issue an order requiring a wireless telecommunications service provider, without charge, penalty, or fee, to:

- (1) Transfer the billing authority and all rights to the wireless telephone number or numbers of a shared wireless plan to a petitioner who has been granted an order for protection pursuant to this chapter if the petitioner is not the account holder of the shared wireless plan; provided that if the petitioner is not the protected party named in the order for protection, the billing authority and rights to the wireless telephone number or numbers of a shared wireless plan may be transferred to another person who shall serve as the account holder, as requested by or on behalf of the protected party with the protected party’s approval; or
- (2) Remove or release the petitioner from a shared wireless plan and assign a substitute telephone number or numbers; provided that if the petitioner is not the protected party named in the order for protection, the court may order that the protected party be removed or released from a shared wireless plan and assigned a substitute telephone number or numbers and order a person, as requested by or on behalf of the protected party with the protected party’s approval, to be the account holder for the substitute telephone number or numbers.

(b) The order issued pursuant to subsection (a) shall be a separate order that is directed to the wireless telecommunications service provider. The order shall list the name and billing telephone number of the account holder, the name of the person to whom the telephone number or numbers will be transferred, and each telephone number to be transferred.

(c) A cause of action shall not lie against any wireless telecommunications service provider, its officers, employees, or agents for the actions taken that are related to the transfer of the billing authority and rights to the wireless telephone number or numbers in accordance with the terms of a court order issued pursuant to this section.

(d) For purposes of this section:

“Domestic violence” shall have the same meaning as in section 321-471.

“Wireless telecommunications service” shall have the same meaning as “commercial mobile radio service” as defined in title 47 Code of Federal Regulations section 20.3.

“Wireless telecommunications service provider” means a provider of wireless telecommunications service.”

SECTION 4. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 5. New statutory material is underscored.<sup>1</sup>

SECTION 6. This Act shall take effect upon its approval.

(Approved July 9, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

## ACT 220

A Bill for an Act Relating to Domestic Violence.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 521, Hawaii Revised Statutes, is amended by adding four new sections to part VI to be appropriately designated and to read as follows:

**“§521-A Early termination of tenancy; victims of domestic violence.** (a) A tenant may terminate a rental agreement of a term of one year or less without penalty or fees for early termination or liability for future rent if the tenant or an immediate family member of the tenant residing at the dwelling unit has been the victim of domestic violence during the ninety days preceding the date the notice of early termination is provided to the landlord. The notice shall be given at least fourteen days prior to the early termination date specified in the notice, which shall be no more than one hundred four days from the date of the most recent act of domestic violence. The notice shall be accompanied by one of the following documents:

- (1) A copy of a valid order of protection issued by a court of any state to the tenant or immediate family member of the tenant as a result of the tenant or the immediate family member of the tenant having been a victim of domestic violence;
- (2) A copy of a police report filed with an agency of any state that states that the tenant or immediate family member of the tenant was a victim of domestic violence; or
- (3) A copy of the conviction of a person for an act of domestic violence against the tenant or immediate family member of the tenant.

The tenant shall also provide to the landlord a written statement, which describes that the tenant reasonably believes that the person who committed the domestic violence knows the address or location where the tenant or immediate family member of the tenant resides, unless the person who committed the domestic violence resides in the same dwelling unit.

(b) If the tenant is solely liable on the rental agreement, the rental agreement shall terminate on the early termination date described in subsection (a), and the tenant shall be liable for rent owed through the early termination date plus any previous obligations outstanding as of that date. The amount due from the tenant shall be paid to the landlord on or before the early termination date.

(c) If there are multiple tenants who are parties to the rental agreement, the release of one or more tenants under this section shall not terminate the rental agreement with respect to the other non-terminating tenants; provided that the other non-terminating tenants demonstrate an ability to pay the rent under the rental agreement, as determined by the landlord. If the other non-terminating tenants fail to demonstrate an ability to pay the rent, the landlord may terminate the rental agreement by giving notice of early termination to the other non-terminating tenants at least fourteen days prior to the early termination date specified in the notice; provided that the landlord shall not assess any penalty or fees for the early termination. The amount due from the other non-terminating tenants shall be paid to the landlord on or before the early termination date.

The landlord shall not be required to refund security deposits under section 521-44 or prepaid rent until:

- (1) The rental agreement terminates with respect to all tenants and the dwelling unit is surrendered to the landlord; or



- (2) Early termination is effected pursuant to this subsection, in which case each terminating tenant shall receive a prorated share of any security deposit or prepaid rent from the landlord upon termination of the rental agreement; provided that the percentage of any security deposit to be returned shall be determined by the court or by the parties in writing; provided further that if there is no determination made by the court or by the parties regarding the percentage share of the security deposit, the landlord shall be permitted to refund the security deposit in equal shares to each tenant on the rental agreement.
- (d) If a tenant submits notice of early termination in compliance with this section, the landlord shall:
  - (1) Return a prorated share of all security deposits recoverable by the terminating tenant under section 521-44 and prepaid rent recoverable by the terminating tenant following the tenant's surrender of the dwelling unit, except as otherwise provided in subsection (c); provided that the landlord may withhold a prorated amount of the security deposit for payment of damages that the landlord has suffered by reason of the terminating tenant's noncompliance with section 521-51;
  - (2) Not assess any fee or penalty against the terminating tenant for exercising any right granted under this section; and
  - (3) Not disclose any information reported to the landlord under this section unless:
    - (A) The tenant consents to the disclosure of the information in a statement signed by the tenant;
    - (B) The information is required or is relevant in a judicial action; or
    - (C) The disclosure is required by other law.
  - (e) The landlord may recover from the person who committed domestic violence against the tenant or tenant's immediate family member actual damages resulting from the tenant's exercise of rights under this section. In addition, if the person who committed domestic violence is a party to the rental agreement, the landlord may:
    - (1) Allow the person to remain in possession of the dwelling unit and hold the person liable on the rental agreement for all future rents payable thereunder; or
    - (2) Terminate the person's interest under the rental agreement by notifying the person in writing at least five days in advance of the anticipated termination. The landlord may evict the person if the person fails to vacate the dwelling unit on the specified termination date.
  - (f) If a tenant knowingly submits false notice or accompanying documentation to a landlord in support of the right to be released from the rental agreement under this section, the landlord may recover an amount equal to three months periodic rent or threefold actual damages, whichever is greater, plus costs and reasonable attorney's fees.
  - (g) The person who committed domestic violence against the tenant or immediate family member of the tenant shall not be entitled to any damages or other relief against the landlord or tenant who complies with this section in good faith.
  - (h) This section shall not affect a tenant's liability for delinquent, unpaid rent, or other amounts owed to the landlord before the rental agreement was terminated by the tenant under this section.

**§521-B Change of locks; victims of domestic violence.** (a) Subject to subsections (b) and (c), if a tenant of a dwelling unit or an immediate family member of the tenant has been the victim of domestic violence and the tenant does not elect to be released from the rental agreement pursuant to section 521-A, the tenant may require the landlord to change the locks to the dwelling unit by submitting a request to the landlord to do so.

(b) Within three days of the receipt of the request in subsection (a), the landlord shall change the locks at the tenant's expense. If the landlord fails to act within the three-day period, the tenant may change the locks without the landlord's permission and shall give the landlord a key to the new locks.

(c) If the person who committed domestic violence against the tenant or immediate family member of the tenant is also a party to the rental agreement, the locks shall not be changed unless there is a court order requiring the person to vacate the dwelling unit and a copy of the order has been furnished to the landlord.

(d) The tenant shall not be required to pay any additional rent, fees, or security deposit because of the exclusion of the person who committed domestic violence from the dwelling unit.

(e) The person who committed domestic violence against the tenant or immediate family member of the tenant shall not be entitled to any damages or other relief against the landlord or the tenant who in good faith complies with this section.

**§521-C Court order to vacate; domestic violence.** (a) If a court of competent jurisdiction, in an action relating to domestic violence, has ordered the person who committed domestic violence against the tenant or immediate family member of the tenant to vacate the dwelling unit, upon issuance of the order, neither the landlord nor the tenant shall have any duty to:

(1) Allow the person access to the dwelling unit, unless the person is accompanied by a law enforcement officer; or

(2) Provide the person with keys to the dwelling unit.

(b) If the person is a party to the rental agreement, then upon issuance of the court order requiring the person to vacate the dwelling unit, the person's interest in the tenancy shall terminate, and the landlord and tenant shall be entitled to any actual damages resulting from that termination.

(c) Pursuant to section 521-A, the landlord shall return security deposits recoverable under section 521-44 and recoverable prepaid rent following the termination of the rental agreement and the surrender of the dwelling unit to the landlord.

(d) The tenant shall not be required to pay any additional rent, fees, or security deposit because of the termination of the person's interest as a tenant of the dwelling unit.

**§521-D Definitions.** For the purposes of this part, "domestic violence" shall have the same meaning as "domestic abuse" as defined in section 586-1."

SECTION 2. In codifying the new sections added by section 1 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

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SECTION 4. New statutory material is underscored.<sup>1</sup>

SECTION 5. This Act shall take effect on November 1, 2015.

(Approved July 9, 2015.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 221

S.B. NO. 226

A Bill for an Act Relating to Abuse of Family or Household Member.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 709-906, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (1) to read:

“(1) It shall be unlawful for any person, singly or in concert, to physically abuse a family or household member or to refuse compliance with the lawful order of a police officer under subsection (4). The police, in investigating any complaint of abuse of a family or household member, upon request, may transport the abused person to a hospital or safe shelter.

For the purposes of this section, ~~“family”~~:

“Business day” means any calendar day, except Saturday, Sunday, or any state holiday.

“Family or household member” means spouses or reciprocal beneficiaries, former spouses or reciprocal beneficiaries, persons in a dating relationship as defined under section 586-1, persons who have a child in common, parents, children, persons related by consanguinity, and persons jointly residing or formerly residing in the same dwelling unit.”

2. By amending subsection (4) to read:

“(4) Any police officer, with or without a warrant, shall take the following course of action, regardless of whether the physical abuse or harm occurred in the officer’s presence:

(a) The police officer shall make reasonable inquiry of the family or household member upon whom the officer believes physical abuse or harm has been inflicted and other witnesses as there may be;

(b) The police officer lawfully shall order the person who the police officer reasonably believes to have inflicted the abuse to leave the premises for a period of separation ~~[of forty-eight hours]~~, during which time the person shall not initiate any contact, either by telephone or in person, with the family or household member; provided that the person is allowed to enter the premises with police escort to collect any necessary personal effects[;]. The period of separation shall commence when the order is issued and shall expire at 6:00 p.m. on the second business day following the day the order was issued; provided that the day the order is issued shall not be included in the computation of the two business days;

~~[(c) When the incident occurs after 12:00 p.m. on any Friday, or on any Saturday, Sunday, or legal holiday, the order to leave the premises and to initiate no further contact shall commence immediately and be in full force, but the forty-eight hour period shall be enlarged and~~

~~extended until 4:30 p.m. on the first day following the weekend or legal holiday;~~

- ~~(c)~~ (c) All persons who are ordered to leave as stated above shall be given a written warning citation stating the date, time, and location of the warning and stating the penalties for violating the warning. A copy of the warning citation shall be retained by the police officer and attached to a written report which shall be submitted in all cases. A third copy of the warning citation shall be given to the abused person;
- ~~(d)~~ (d) If the person so ordered refuses to comply with the order to leave the premises or returns to the premises before the expiration of the period of separation, or if the person so ordered initiates any contact with the abused person, the person shall be placed under arrest for the purpose of preventing further physical abuse or harm to the family or household member; and
- ~~(e)~~ (e) The police officer shall seize all firearms and ammunition that the police officer has reasonable grounds to believe were used or threatened to be used in the commission of an offense under this section.”

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved July 9, 2015.)

## ACT 222

S.B. NO. 387

A Bill for an Act Relating to Affirmative Consent.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that while Congress has enacted several historic and significant federal laws to address sex-based discrimination and violence against women and girls, including Title IX of the Education Amendments of 1972, renamed the Patsy Takemoto Mink Equal Opportunity in Education Act in 2002 in recognition of the late United States Representative Patsy Mink’s tireless efforts regarding Title IX, and the more recent Violence Against Women Act, sexual violence is prevalent on college campuses. Nationally, one in five women is sexually assaulted while in college. Approximately one-third of these sexual assaults are perpetrated on women who are first-year students between the ages of seventeen and nineteen. Also, women aged sixteen to twenty-four are at the highest risk for experiencing abuse by an intimate partner.

The legislature concludes that violence against women is a continuing problem that must be addressed. Ending campus sexual violence is a combined endeavor of effective response and intervention, awareness education to change attitudes and behaviors, and clear policies that do not tolerate such conduct.

The legislature acknowledges that the University of Hawaii is committed to maintaining and promoting safe, respectful campus environments that are

free from discrimination, harassment, and sexual violence. The University of Hawaii board of regents recently adopted an executive policy concerning sexual harassment, sexual assault, domestic violence, dating violence, and stalking that requires the various campuses to implement comprehensive education and prevention programs, information and assistance for individuals who report alleged sexual harassment and sexual violence, prompt and equitable complaint procedures, information for respondents and complainants about their rights, and corrective action to prevent and end incidents of harassment and sexual violence. The policy also provides a comprehensive definition of affirmative consent.

The purpose of this Act is to provide for a review of the university's policy.

SECTION 2. (a) There is established the affirmative consent task force to review and make recommendations on the University of Hawaii's executive policy on sexual harassment, sexual assault, domestic violence, dating violence, and stalking.

(b) The task force shall comprise:

- (1) The president of the University of Hawaii, or the president's designee;
- (2) The vice president for community colleges, or the vice president's designee;
- (3) The chancellor of the University of Hawaii at Manoa, or the chancellor's designee;
- (4) The chancellor of the University of Hawaii at Hilo, or the chancellor's designee;
- (5) The chancellor of the University of Hawaii at West Oahu, or the chancellor's designee;
- (6) The executive director of the Hawaii state commission on the status of women, or the executive director's designee;
- (7) The chair of the University of Hawaii commission on the status of women, or the chair's designee;
- (8) At least two students at the University of Hawaii to be chosen by the president of the University of Hawaii, or the president's designee;
- (9) The executive director of the Sex Abuse Treatment Center, or the director's designee;
- (10) A member of the American Civil Liberties Union;
- (11) A member of the National Association of Social Workers;
- (12) A representative of the Hawaii State Coalition Against Domestic Violence;
- (13) A representative of the Honolulu police department; and
- (14) A member of the women's legislative caucus of the legislature.

(c) The members of the task force shall elect a chairperson from among themselves.

(d) The task force shall consider the following concepts when reviewing and revising the University of Hawaii's current policy:

- (1) Affirming the University of Hawaii's commitment to increasing resources and strengthening the institutional infrastructure of all of its campuses to more effectively address the issue of affirmative consent;
- (2) Considering best practices and current professional standards in reviewing and revising the current policy;
- (3) Using contemporary corrective actions consistent with academic environments, standard business practices, and the laws of the State; and

- (4) That the University of Hawaii's policy shall provide guidance to each campus within the University of Hawaii system on the following:
- (A) Comprehensive education and prevention programs that inform the University of Hawaii community about the policies, resources, complaint options, remedies, and the risks and myths that contribute to sexual harassment, sexual assault, domestic violence, dating violence, and stalking;
  - (B) Information and assistance for individuals who report alleged sexual harassment and sexual violence, including informing individuals about their right to file criminal charges as well as the availability of on- and off-campus resources (e.g., medical, counseling, advocacy, legal, and other support services, including confidential options) and alternative remedies, such as housing, academic, or workplace accommodations, if appropriate and reasonably available, regardless of whether the individual chooses to file a complaint with or report a crime to campus security or a local law enforcement agency;
  - (C) Prompt and equitable complaint procedures for students and employees that are accessible and widely publicized on a regular basis;
  - (D) Information for both respondents and complainants regarding their rights during a student disciplinary hearing or investigation, including the right to a fair and impartial process, to be accompanied by an advisor, to give their side of the story and present all relevant evidence, to receive simultaneous updates on the status of the investigation and written notice of the outcome, including relevant sanctions imposed on student respondents, and to appeal;
  - (E) Provisions for corrective actions that the campuses will implement or instill, including remedies and disciplinary sanctions, to end incidents of harassment or sexual violence and to prevent their recurrence;
  - (F) Training on non-judgmental, victim-centered communication for university staff who receive and handle complaints of harassment or sexual violence; and
  - (G) Procedures for the university's coordination and cooperation with police and prosecutors if an individual decides to report an incident of harassment or sexual violence.
- (e) The task force shall submit a report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular sessions of 2016 and 2017.
- (f) The task force shall cease to exist on June 30, 2017.

SECTION 3. This Act shall take effect on July 1, 2015.

(Approved July 9, 2015.)

## ACT 223

S.B. NO. 555

A Bill for an Act Relating to Tax Credits.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to increase the refundable food/excise tax credit.

SECTION 2. Section 235-55.85, Hawaii Revised Statutes, is amended as follows:

1. By amending subsections (a), (b), and (c) to read:

“(a) Each ~~[resident]~~ individual taxpayer, who files an individual income tax return for a taxable year, and who is not claimed or is not otherwise eligible to be claimed as a dependent by another taxpayer for federal or Hawaii state individual income tax purposes, may claim a refundable food/excise tax credit against the ~~[resident]~~ taxpayer’s individual income tax liability for the taxable year for which the individual income tax return is being filed; provided that ~~[a resident]~~ an individual who has no income or no income taxable under this chapter and who is not claimed or is not otherwise eligible to be claimed as a dependent by a taxpayer for federal or Hawaii state individual income tax purposes may claim this credit.

(b) Each ~~[resident]~~ individual taxpayer may claim a refundable food/excise tax credit multiplied by the number of qualified exemptions to which the taxpayer is entitled in accordance with the table below; provided that a husband and wife filing separate tax returns for a taxable year for which a joint return could have been filed by them shall claim only the tax credit to which they would have been entitled had a joint return been filed.

<u>Adjusted gross income for taxpayers filing a single return</u>	<u>Credit per exemption</u>
Under \$5,000	<del>[\$85]</del> \$110
\$5,000 under \$10,000	<del>[75]</del> \$100
\$10,000 under \$15,000	<del>[65]</del> \$85
\$15,000 under \$20,000	<del>[55]</del> \$70
\$20,000 under \$30,000	<del>[45]</del> \$55
\$30,000 <del>[under \$40,000]</del>	35
\$40,000 <del>under \$50,000]</del>	25
\$50,000] and over	\$0

<u>Adjusted gross income for heads of household, married individuals filing separate returns, and married couples filing joint returns</u>	<u>Credit per exemption</u>
<u>Under \$5,000</u>	<u>\$110</u>
<u>\$5,000 under \$10,000</u>	<u>\$100</u>
<u>\$10,000 under \$15,000</u>	<u>\$85</u>
<u>\$15,000 under \$20,000</u>	<u>\$70</u>
<u>\$20,000 under \$30,000</u>	<u>\$55</u>
<u>\$30,000 under \$40,000</u>	<u>\$45</u>
<u>\$40,000 under \$50,000</u>	<u>\$35</u>
<u>\$50,000 and over</u>	<u>\$0</u>

(c) For the purposes of this section, a qualified exemption is defined to include those exemptions permitted under this chapter; provided that no additional exemption may be claimed by a taxpayer who is sixty-five years of age or older; provided that a person for whom exemption is claimed has been physically ~~[resided]~~ present in the State for more than nine months during the taxable year; and provided further that multiple exemptions shall not be granted because of deficiencies in vision or hearing, or other disability. For purposes of claiming this credit only, a minor child receiving support from the department of human services of the State, social security survivor’s benefits, and the like, may be considered a dependent and a qualified exemption of the parent or guardian.”

2. By amending subsection (e) to read:

“(e) The tax credits claimed by a [resident] taxpayer pursuant to this section shall be deductible from the [resident] taxpayer’s individual income tax liability, if any, for the tax year in which they are properly claimed. If the tax credits claimed by a [resident] taxpayer exceed the amount of income tax payment due from the [resident] taxpayer, the excess of credits over payments due shall be refunded to the [resident] taxpayer; provided that tax credits properly claimed by a [resident] individual who has no income tax liability shall be paid to the [resident] individual; and provided further that no refunds or payment on account of the tax credits allowed by this section shall be made for amounts less than \$1.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act, upon its approval, shall apply to taxable years beginning after December 31, 2015; provided that this Act shall be repealed on December 31, 2017, and section 235-55.85, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day prior to the effective date of this Act.

(Approved July 9, 2015.)

## ACT 224

H.B. NO. 830

A Bill for an Act Relating to Residential Property.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. According to the United States Census Bureau and the department of business, economic development, and tourism, nearly forty per cent of the existing private residences on Oahu were built before 1970. In certain census tracts, this number is as high as eighty-five per cent.

Hawaii law provides that any building, structure, object, district, area, or site over fifty years old is considered historic property. Furthermore, current application of historic preservation law requires review by the state historic preservation division of the department of land and natural resources prior to the granting of permits for proposed projects on historic properties. In certain instances, this requirement has delayed the granting of permits for a period of many months, which has had an adverse effect on the construction industry. Since nearly forty per cent of private residences on Oahu have reached or are approaching fifty years of age, it is prudent for the State to reexamine the current processes and procedures regarding historic properties.

The purpose of this Act is to create an exemption from the review requirements of section 6E-42, Hawaii Revised Statutes, for proposed projects on privately-owned single-family detached dwelling units and townhouses that are not designated on or nominated for the Hawaii or national register of historic places and are not located in a historic district.

SECTION 2. Chapter 6E, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§6E- **Excluded activities for privately-owned single-family detached dwelling units and townhouses.** (a) An application for a proposed project on an existing privately-owned single-family detached dwelling unit or townhouse shall



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be subject to the requirements of section 6E-42 only if the single-family detached dwelling unit or townhouse is over fifty years old and:

- (1) Is listed on the Hawaii or national register of historic places, or both;
  - (2) Is nominated for inclusion on the Hawaii or national register of historic places, or both; or
  - (3) Is located in a historic district.
- (b) For the purposes of this section:

“Dwelling unit” means a building or portion thereof designed or used exclusively for residential occupancy and having all necessary facilities for permanent residency such as living, sleeping, cooking, eating, and sanitation.

“Single-family detached dwelling unit” means an individual, freestanding, unattached dwelling unit, typically built on a lot larger than the structure itself, resulting in an area surrounding the dwelling.

“Townhouse” has the same meaning as defined in section 502C-1.”

**SECTION 3.** Section 6E-42, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) ~~Before~~ Except as provided in section 6E- before any agency or officer of the State or its political subdivisions approves any project involving a permit, license, certificate, land use change, subdivision, or other entitlement for use, which may affect historic property, aviation artifacts, or a burial site, the agency or office shall advise the department and prior to any approval allow the department an opportunity for review and comment on the effect of the proposed project on historic properties, aviation artifacts, or burial sites, consistent with section 6E-43, including those listed in the Hawaii register of historic places. If:

- (1) The proposed project consists of corridors or large land areas;
- (2) Access to properties is restricted; or
- (3) Circumstances dictate that construction be done in stages,

the department’s review and comment may be based on a phased review of the project; provided that there shall be a programmatic agreement between the department and the project applicant that identifies each phase and the estimated timelines for each phase.”

**SECTION 4.** Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

**SECTION 5.** This Act shall take effect on July 1, 2015.

(Approved July 9, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 225**

S.B. NO. 756

A Bill for an Act Relating to the Secure and Fair Enforcement for Mortgage Licensing Act.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** The legislature finds that seller financing is a useful tool in the credit market. It expands the pool of potential buyers for a seller and

gives buyers the opportunity to make a purchase that would otherwise be out of reach, particularly in situations where the purchaser may qualify for traditional financing, but the traditional lender does not accept the property because of its location or condition.

Although a seller financing exemption was not originally included in Hawaii's Secure and Fair Enforcement for Mortgage Licensing Act, the legislature finds that with adequate consumer protection, seller financing is a key component in the Hawaii real estate market. Seller financing can assist intra-family transactions and transfers of property that may be subject to environmental and natural hazards that are unique to Hawaii.

Accordingly, the purpose of this Act is to establish a mortgage license exemption for a seller to engage in seller financing.

SECTION 2. Section 454F-2, Hawaii Revised Statutes, is amended to read as follows:

**“§454F-2 Exemptions.** This chapter shall not apply to the following:

- (1) An exempt registered mortgage loan originator when acting for an insured depository institution or an institution regulated by the Farm Credit Administration;
- (2) A licensed attorney who negotiates the terms of a residential mortgage loan on behalf of a client as an ancillary matter to the attorney's representation of the client unless the attorney is compensated by a lender, a mortgage loan originator company, or other mortgage loan originator or by an agent of a lender, mortgage loan originator company, or other mortgage loan originator;
- (3) A person or entity that only performs real estate brokerage activities and is licensed or registered by the State unless the person or entity is compensated by a lender, a mortgage loan originator company, or other mortgage loan originator or by an agent of the lender, mortgage loan originator company, or other mortgage loan originator;
- (4) A person or entity solely involved in extensions of credit relating to timeshare plans, as the term is defined in title 11 United States Code section 101(53D);
- (5) An exempt sponsoring mortgage loan originator company as defined by this chapter except as otherwise provided by this chapter;
- (6) An insured depository institution;
- (7) An institution regulated by the Farm Credit Administration;
- (8) Employees of government agencies or of housing finance agencies who act as mortgage loan originators; ~~or~~
- (9) A mortgage servicer company that is exempt from chapter 454M, pursuant to section 454M-3[-]; or
- (10) A seller of real property who offers or negotiates terms of a residential mortgage loan that is financed by the seller and secured by the seller's own real property; provided that:
  - (A) The seller is a person, estate, or trust that transacts three or fewer residential mortgage loans in one calendar year;
  - (B) The seller is not a loan originator for purposes of the loan originator qualification requirements in 12 Code of Federal Regulations section 1026.36(f) and (g);
  - (C) The seller has not constructed or acted as the construction contractor for the residence on the property in the ordinary course of the seller's business;

- (D) The interest rate for the loan does not exceed the State's usury limit; provided that the exemptions from usury specified in section 478-8 shall not apply to transactions subject to this paragraph;
- (E) The seller shall provide to the buyer the terms of the financing including:
  - (i) A current title search including any liens against the property;
  - (ii) The interest rate;
  - (iii) Monthly principal and interest payments;
  - (iv) Any prepayment penalty;
  - (v) Any late payment charges;
  - (vi) The payment schedule;
  - (vii) The total amount of interest that the mortgagor will pay over the term of the loan expressed as a percentage of the loan amount;
  - (viii) A calculation of projected aggregate monthly payments including principal and interest;
  - (ix) Estimated closing costs if closing costs are included in loan costs and estimated cash to close if closing costs are not included in loan costs. For purposes of this paragraph, closing costs shall include recording fees, transfer taxes, prepaid costs such as homeowner's insurance premiums or property taxes, and appraisal costs charged to the mortgagor;
  - (x) The seller's contact information including name, address, phone number, electronic mail address, and alternate contact information to the extent available; and
  - (xi) A statement that the seller will acquire a security interest in the buyer's dwelling and that the buyer may lose the dwelling in the event of a loan default;
- (F) The seller shall provide a disclaimer, to be initialed by the buyer, which states, "BUYER ACKNOWLEDGES RECEIVING FINANCING FROM THE SELLER IN THIS TRANSACTION AND GRANTING THE SELLER A MORTGAGE. THIS CAN HAVE SERIOUS CONSEQUENCES SHOULD BUYER FAIL TO MAKE ANY PAYMENTS INCLUDING BUT NOT LIMITED TO FORECLOSURE AND THE LOSS OF BUYER'S PROPERTY. THEREFORE, IT IS IMPORTANT THAT BUYER UNDERSTANDS ALL FINANCING TERMS AND OBLIGATIONS AND OBTAINS PROFESSIONAL EXPERT ADVICE TO THE EXTENT NECESSARY TO ENSURE BUYER IS FULLY ADVISED IN THIS MATTER."; and
- (G) A residential mortgage loan shall be recorded with the land court or bureau of conveyances as applicable."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved July 9, 2015.)

## ACT 226

A Bill for an Act Relating to Certificates of Birth.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 338-17.7, Hawaii Revised Statutes, is amended to read as follows:

**“§338-17.7 Establishment of new certificates of birth, when.** (a) The department of health shall establish, in the following circumstances, a new certificate of birth for a person born in this State who already has a birth certificate filed with the department and who is referred to below as the “birth registrant”:

- (1) Upon receipt of an affidavit of paternity, a court order establishing paternity, or a certificate of marriage establishing the marriage of the natural parents to each other, together with a request from the birth registrant, or the birth registrant’s parent or other person having legal custody of the birth registrant, that a new birth certificate be prepared because previously recorded information has been altered pursuant to law;
- (2) Upon receipt of a certified copy of a final order, judgment, or decree of a court of competent jurisdiction that determined the nonexistence of a parent and child relationship between a person identified as a parent on the birth certificate on file and the birth registrant;
- (3) Upon receipt of a certified copy of a final adoption decree, or of an abstract of the decree, pursuant to sections 338-20 and 578-14;
- (4) Upon receipt of an affidavit ~~[of a physician that the physician has examined the birth registrant and has determined the following:~~
  - ~~(A) The birth registrant’s sex designation was entered incorrectly on the birth registrant’s birth certificate; or~~
  - ~~(B) The birth registrant has had a sex change operation and the sex designation on the birth registrant’s birth certificate is no longer correct; provided that the director of health may further investigate and require additional information that the director deems necessary; or]~~ from a United States licensed physician attesting that:
    - (A) The physician has a bona fide physician-patient relationship with the birth registrant;
    - (B) The physician has treated and evaluated the birth registrant and has reviewed and evaluated the birth registrant’s medical history;
    - (C) The birth registrant has had appropriate clinical treatment for gender transition to the new gender and has completed the transition to the new gender; and
    - (D) The new gender does not align with the sex designation on the birth registrant’s birth certificate; or
- (5) Upon request of a law enforcement agency certifying that a new birth certificate showing different information would provide for the safety of the birth registrant; provided that the new birth certificate shall contain information requested by the law enforcement agency, shall be assigned a new number and filed accordingly, and shall not substitute for the birth registrant’s original birth certificate, which shall remain in place.

(b) When a new certificate of birth is established under this section, it shall be substituted for the original certificate of birth. The new certificate shall not be marked as amended and shall in no way reveal the original language changed by any amendment. Thereafter, the original certificate and the evidence supporting the preparation of the new certificate shall be sealed and filed. ~~[Such]~~ The sealed [document] documents shall be opened only by an order of a court of record[-] or, for those documents amended pursuant to subsection (a)(4), by request of the birth registrant.

(c) If a new certificate of birth is established under subsection (a)(4), it shall reflect, or shall be reissued to reflect, any legal name change made before, simultaneously, or after the change in sex designation; provided appropriate documentation of the name change is submitted.

(d) If a new certificate of birth is established under subsection (a)(4), the department shall not require any additional medical information or records other than those required by subsection (a)(4)."

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 2015.

(Approved July 13, 2015.)

**ACT 227**

H.B. NO. 770

A Bill for an Act Relating to Intoxicating Liquor.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 281-31, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (c) to read:

“(c) Class 2. Restaurant license.

(1) A license under this class shall authorize the licensee to sell liquor specified in this subsection for consumption on the premises; provided that a restaurant licensee, with commission approval, may provide off-premises catering of food and liquor; provided further that the catering activity shall be directly related to the licensee’s operation as a restaurant. A license under this class shall also authorize the licensee to sell beer, malt beverages, or cider for off-premises consumption; provided that the licensee has the appropriate kind of license pursuant to paragraph (3); and provided further that the beer, malt beverage, or cider is sold in a securely sealed or covered glass, ceramic, or metal container that is sold to or provided by the patron, and each sealed or covered glass, ceramic, or metal container does not exceed a maximum capacity of one-half gallon. A licensee under this class shall be issued a license according to the category of establishment the licensee owns or operates. The categories of establishment shall be as follows:

(A) A standard bar; or

(B) Premises in which live entertainment or recorded music is provided. Facilities for dancing by the patrons may be permitted as provided by commission rules.

- (2) If a licensee under class 2 desires to change the category of establishment the licensee owns or operates, the licensee shall apply for a new license applicable to the category of the licensee's establishment.
- (3) Of this class, there shall be the following kinds:
  - (A) General (includes all liquor except alcohol);
  - (B) Beer and wine; and
  - (C) Beer.

Notwithstanding section 281-57, the commission may approve at one public hearing and without notice the change to a class 2 restaurant license of a licensee holding a class 5 dispenser license who meets the requirements of a class 2 license."

2. By amending subsection (e) to read:

"(e) Class 4. Retail dealer license. A license to sell liquor at retail or to class 10 licensees shall authorize the licensee to sell the liquor therein specified in their original packages. A license under this class shall also authorize the licensee to sell beer, malt beverages, or cider in non-original packages; provided that the beer, malt beverage, or cider is sold in a securely sealed or covered glass, ceramic, or metal container that is sold to or provided by the patron, and each sealed or covered glass, ceramic, or metal container does not exceed a maximum capacity of one half-gallon. Under a class 4 license, no liquor shall be consumed on the premises except as authorized by the commission. Of this class, there shall be the following kinds:

- (1) General (includes all liquor except alcohol);
- (2) Beer and wine; and
- (3) Alcohol."

3. By amending subsection (n) to read:

"(n) Class 14. Brewpub license. A brewpub licensee:

- (1) May sell malt beverages manufactured on the licensee's premises for consumption on the premises;
- (2) May sell malt beverages manufactured by the licensee in brewery-sealed packages to class 3 wholesale dealer licensees pursuant to conditions imposed by the county by ordinance or rule;
- (3) May sell intoxicating liquor purchased from a class 3 wholesale dealer licensee to consumers for consumption on the licensee's premises. The categories of establishments shall be as follows:
  - (A) A standard bar; or
  - (B) Premises in which live entertainment or recorded music is provided. Facilities for dancing by the patrons may be permitted as provided by commission rules;
- (4) May, subject to federal labeling and bottling requirements, sell malt beverages manufactured on the licensee's premises to consumers in brewery-sealed kegs and sell malt beverages manufactured on the licensee's premises or purchased from a class 1 manufacturer licensee, a class 3 wholesale dealer licensee, a class 14 brewpub licensee, or a class 18 small craft producer pub licensee to consumers in growlers for off-premises consumption; provided that for purposes of this paragraph, "growler" means a glass, ceramic, or metal container, not to exceed one half-gallon, which shall be securely sealed;
- (5) May, subject to federal labeling and bottling requirements, sell malt beverages manufactured on the licensee's premises in recyclable containers provided by the licensee or by the consumer which do not exceed one gallon per container and are securely sealed on the licensee's premises to consumers for off-premises consumption;

- (6) Shall comply with all regulations pertaining to class 4 retail dealer licensees when engaging in the retail sale of malt beverages;
- (7) May, subject to federal labeling and bottling requirements, sell malt beverages manufactured on the licensee's premises in brewery-sealed containers directly to class 2 restaurant licensees, class 3 wholesale dealer licensees, class 4 retail dealer licensees, class 5 dispenser licensees, class 6 club licensees, class 8 transient vessel licensees, class 9 tour or cruise vessel licensees, class 10 special licensees, class 11 cabaret licensees, class 12 hotel licensees, class 13 caterer licensees, class 14 brewpub licensees, class 15 condominium hotel licensees, class 18 small craft producer pub licensees, and consumers pursuant to conditions imposed by county regulations governing class 1 manufacturer licensees and class 3 wholesale dealer licensees; and
- (8) May conduct the activities under paragraphs (1) to (7) at one location other than the licensee's premises; provided that:
  - (A) The manufacturing takes place in Hawaii; and
  - (B) The other location is properly licensed under the same ownership."

4. By amending subsection (r) to read:

"(r) Class 18. Small craft producer pub license. A small craft producer pub licensee:

- (1) Shall manufacture not more than:
  - (A) Sixty thousand barrels of malt beverages;
  - (B) Twenty thousand barrels of wine; or
  - (C) Seven thousand five hundred barrels of alcohol on the licensee's premises during the license year; provided that for purposes of this paragraph, "barrel" means a container not exceeding thirty-one gallons or wine gallons of liquor;
- (2) May sell malt beverages, wine, or alcohol manufactured on the licensee's premises for consumption on the premises;
- (3) May sell malt beverages, wine, or alcohol manufactured by the licensee in producer-sealed packages to class 3 wholesale dealer licensees pursuant to conditions imposed by the county by ordinance or rule;
- (4) May sell intoxicating liquor purchased from a class 3 wholesale dealer licensee to consumers for consumption on the licensee's premises. The categories of establishments shall be as follows:
  - (A) A standard bar; or
  - (B) Premises in which live entertainment or recorded music is provided. Facilities for dancing by the patrons may be permitted as provided by commission rules;
- (5) May, subject to federal labeling and bottling requirements, sell malt beverages manufactured on the licensee's premises to consumers in producer-sealed kegs and sell malt beverages manufactured on the licensee's premises or purchased from a class 1 manufacturer licensee, a class 3 wholesale dealer licensee, a class 14 brewpub licensee, or a class 18 small craft producer pub licensee to consumers in growlers for off-premises consumption; provided that for purposes of this paragraph, "growler" means a glass, ceramic, or metal container, not to exceed one half-gallon, which shall be securely sealed;
- (6) May, subject to federal labeling and bottling requirements, sell malt beverages, wine, or alcohol manufactured on the licensee's premises

in recyclable containers provided by the licensee or by the consumer which do not exceed:

- (A) One gallon per container for malt beverages and wine; and
  - (B) One liter for alcohol; and
- are securely sealed on the licensee's premises to consumers for off-premises consumption;
- (7) Shall comply with all regulations pertaining to class 4 retail dealer licensees when engaging in the retail sale of malt beverages, wine, and alcohol;
  - (8) May, subject to federal labeling and bottling requirements, sell malt beverages, wine, and alcohol manufactured on the licensee's premises in producer-sealed containers directly to class 2 restaurant licensees, class 3 wholesale dealer licensees, class 4 retail dealer licensees, class 5 dispenser licensees, class 6 club licensees, class 8 transient vessel licensees, class 9 tour or cruise vessel licensees, class 10 special licensees, class 11 cabaret licensees, class 12 hotel licensees, class 13 caterer licensees, class 14 brewpub licensees, class 15 condominium hotel licensees, class 18 small craft producer pub licensees, and consumers pursuant to conditions imposed by county regulations governing class 1 manufacturer licensees and class 3 wholesale dealer licensees; and
  - (9) May conduct the activities under paragraphs (1) to (8) at one location other than the licensee's premises; provided that:
    - (A) The manufacturing takes place in Hawaii; and
    - (B) The other location is properly licensed under the same ownership."

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2015.

(Approved July 13, 2015.)

## ACT 228

H.B. NO. 1273

A Bill for an Act Relating to Renewable Energy.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the development of hydroelectric energy-generating facilities in Hawaii is vital to the energy security and energy independence of the State. Increased use of renewable energy resources will achieve broad societal benefits, including resistance to oil price increases, environmental sustainability, economic development, and job creation.

The legislature also finds that some of the sites that are targeted for the development of hydroelectric energy-generating facilities in Hawaii are located on agricultural lands. Although various types of renewable energy facilities may be constructed on agricultural lands, hydroelectric facilities currently are not included as a permissible use.



The legislature further finds that Hawaii's agricultural land is a fundamentally important and diminishing resource that is pivotal to the State's initiatives in food security. Therefore, the location, construction, and operation of renewable energy facilities must be considered in a manner that promotes both food and energy security.

The purpose of this Act is to authorize construction of hydroelectric facilities on agricultural lands; provided that the hydroelectric facilities:

- (1) Have a hydroelectric generating capacity of not more than five hundred kilowatts;
- (2) Comply with the state water code, chapter 174C, Hawaii Revised Statutes;
- (3) Are accessory to agricultural activities on agricultural land for agricultural use only; and
- (4) Do not adversely impact or impede the use of agricultural land or the availability of surface or ground water for irrigation use on parcels that are served by the ground water sources or streams for which hydroelectric facilities are considered.

SECTION 2. Section 205-2, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

"(d) Agricultural districts shall include:

- (1) Activities or uses as characterized by the cultivation of crops, crops for bioenergy, orchards, forage, and forestry;
- (2) Farming activities or uses related to animal husbandry and game and fish propagation;
- (3) Aquaculture, which means the production of aquatic plant and animal life within ponds and other bodies of water;
- (4) Wind generated energy production for public, private, and commercial use;
- (5) Biofuel production, as described in section 205-4.5(a)(16), for public, private, and commercial use;
- (6) Solar energy facilities; provided that:
  - (A) This paragraph shall apply only to land with soil classified by the land study bureau's detailed land classification as overall (master) productivity rating class B, C, D, or E; and
  - (B) Solar energy facilities placed within land with soil classified as overall productivity rating class B or C shall not occupy more than ten per cent of the acreage of the parcel, or twenty acres of land, whichever is lesser, unless a special use permit is granted pursuant to section 205-6;
- (7) Bona fide agricultural services and uses that support the agricultural activities of the fee or leasehold owner of the property and accessory to any of the above activities, regardless of whether conducted on the same premises as the agricultural activities to which they are accessory, including farm dwellings as defined in section 205-4.5(a)(4), employee housing, farm buildings, mills, storage facilities, processing facilities, photovoltaic, biogas, and other small-scale renewable energy systems producing energy solely for use in the agricultural activities of the fee or leasehold owner of the property, agricultural-energy facilities as defined in section 205-4.5(a)(17), hydroelectric facilities in accordance with section 205-4.5(a)(23), vehicle and equipment storage areas, and plantation community subdivisions as defined in section 205-4.5(a)(12);
- (8) Wind machines and wind farms;

- (9) Small-scale meteorological, air quality, noise, and other scientific and environmental data collection and monitoring facilities occupying less than one-half acre of land; provided that these facilities shall not be used as or equipped for use as living quarters or dwellings;
- (10) Agricultural parks;
- (11) Agricultural tourism conducted on a working farm, or a farming operation as defined in section 165-2, for the enjoyment, education, or involvement of visitors; provided that the agricultural tourism activity is accessory and secondary to the principal agricultural use and does not interfere with surrounding farm operations; and provided further that this paragraph shall apply only to a county that has adopted ordinances regulating agricultural tourism under section 205-5;
- (12) Agricultural tourism activities, including overnight accommodations of twenty-one days or less, for any one stay within a county; provided that this paragraph shall apply only to a county that includes at least three islands and has adopted ordinances regulating agricultural tourism activities pursuant to section 205-5; provided further that the agricultural tourism activities coexist with a bona fide agricultural activity. For the purposes of this paragraph, "bona fide agricultural activity" means a farming operation as defined in section 165-2;
- (13) Open area recreational facilities;
- (14) Geothermal resources exploration and geothermal resources development, as defined under section 182-1; and
- (15) Agricultural-based commercial operations, including:
  - (A) A roadside stand that is not an enclosed structure, owned and operated by a producer for the display and sale of agricultural products grown in Hawaii and value-added products that were produced using agricultural products grown in Hawaii;
  - (B) Retail activities in an enclosed structure owned and operated by a producer for the display and sale of agricultural products grown in Hawaii, value-added products that were produced using agricultural products grown in Hawaii, logo items related to the producer's agricultural operations, and other food items; and
  - (C) A retail food establishment owned and operated by a producer and permitted under title 11, chapter 12 of the rules of the department of health that prepares and serves food at retail using products grown in Hawaii and value-added products that were produced using agricultural products grown in Hawaii.

The owner of an agricultural-based commercial operation shall certify, upon request of an officer or agent charged with enforcement of this chapter under section 205-12, that the agricultural products displayed or sold by the operation meet the requirements of this paragraph.

Agricultural districts shall not include golf courses and golf driving ranges, except as provided in section 205-4.5(d). Agricultural districts include areas that are not used for, or that are not suited to, agricultural and ancillary activities by reason of topography, soils, and other related characteristics."

SECTION 3. Section 205-4.5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Within the agricultural district, all lands with soil classified by the land study bureau’s detailed land classification as overall (master) productivity rating class A or B and for solar energy facilities, class B or C, shall be restricted to the following permitted uses:

- (1) Cultivation of crops, including crops for bioenergy, flowers, vegetables, foliage, fruits, forage, and timber;
- (2) Game and fish propagation;
- (3) Raising of livestock, including poultry, bees, fish, or other animal or aquatic life that are propagated for economic or personal use;
- (4) Farm dwellings, employee housing, farm buildings, or activities or uses related to farming and animal husbandry. “Farm dwelling”, as used in this paragraph, means a single-family dwelling located on and used in connection with a farm, including clusters of single-family farm dwellings permitted within agricultural parks developed by the State, or where agricultural activity provides income to the family occupying the dwelling;
- (5) Public institutions and buildings that are necessary for agricultural practices;
- (6) Public and private open area types of recreational uses, including day camps, picnic grounds, parks, and riding stables, but not including dragstrips, airports, drive-in theaters, golf courses, golf driving ranges, country clubs, and overnight camps;
- (7) Public, private, and quasi-public utility lines and roadways, transformer stations, communications equipment buildings, solid waste transfer stations, major water storage tanks, and appurtenant small buildings such as booster pumping stations, but not including offices or yards for equipment, material, vehicle storage, repair or maintenance, treatment plants, corporation yards, or other similar structures;
- (8) Retention, restoration, rehabilitation, or improvement of buildings or sites of historic or scenic interest;
- (9) Agricultural-based commercial operations as described in section 205-2(d)(15);
- (10) Buildings and uses, including mills, storage, and processing facilities, maintenance facilities, photovoltaic, biogas, and other small-scale renewable energy systems producing energy solely for use in the agricultural activities of the fee or leasehold owner of the property, and vehicle and equipment storage areas that are normally considered directly accessory to the above-mentioned uses and are permitted under section 205-2(d);
- (11) Agricultural parks;
- (12) Plantation community subdivisions, which as used in this chapter means an established subdivision or cluster of employee housing, community buildings, and agricultural support buildings on land currently or formerly owned, leased, or operated by a sugar or pineapple plantation; provided that the existing structures may be used or rehabilitated for use, and new employee housing and agricultural support buildings may be allowed on land within the subdivision as follows:
  - (A) The employee housing is occupied by employees or former employees of the plantation who have a property interest in the land;

- (B) The employee housing units not owned by their occupants shall be rented or leased at affordable rates for agricultural workers; or
  - (C) The agricultural support buildings shall be rented or leased to agricultural business operators or agricultural support services;
- (13) Agricultural tourism conducted on a working farm, or a farming operation as defined in section 165-2, for the enjoyment, education, or involvement of visitors; provided that the agricultural tourism activity is accessory and secondary to the principal agricultural use and does not interfere with surrounding farm operations; and provided further that this paragraph shall apply only to a county that has adopted ordinances regulating agricultural tourism under section 205-5;
  - (14) Agricultural tourism activities, including overnight accommodations of twenty-one days or less, for any one stay within a county; provided that this paragraph shall apply only to a county that includes at least three islands and has adopted ordinances regulating agricultural tourism activities pursuant to section 205-5; provided further that the agricultural tourism activities coexist with a bona fide agricultural activity. For the purposes of this paragraph, "bona fide agricultural activity" means a farming operation as defined in section 165-2;
  - (15) Wind energy facilities, including the appurtenances associated with the production and transmission of wind generated energy; provided that the wind energy facilities and appurtenances are compatible with agriculture uses and cause minimal adverse impact on agricultural land;
  - (16) Biofuel processing facilities, including the appurtenances associated with the production and refining of biofuels that is normally considered directly accessory and secondary to the growing of the energy feedstock; provided that biofuel processing facilities and appurtenances do not adversely impact agricultural land and other agricultural uses in the vicinity.

For the purposes of this paragraph:

"Appurtenances" means operational infrastructure of the appropriate type and scale for economic commercial storage and distribution, and other similar handling of feedstock, fuels, and other products of biofuel processing facilities.

"Biofuel processing facility" means a facility that produces liquid or gaseous fuels from organic sources such as biomass crops, agricultural residues, and oil crops, including palm, canola, soybean, and waste cooking oils; grease; food wastes; and animal residues and wastes that can be used to generate energy;

- (17) Agricultural-energy facilities, including appurtenances necessary for an agricultural-energy enterprise; provided that the primary activity of the agricultural-energy enterprise is agricultural activity. To be considered the primary activity of an agricultural-energy enterprise, the total acreage devoted to agricultural activity shall be not less than ninety per cent of the total acreage of the agricultural-energy enterprise. The agricultural-energy facility shall be limited to lands owned, leased, licensed, or operated by the entity conducting the agricultural activity.

As used in this paragraph:

“Agricultural activity” means any activity described in paragraphs (1) to (3) of this subsection.

“Agricultural-energy enterprise” means an enterprise that integrally incorporates an agricultural activity with an agricultural-energy facility.

“Agricultural-energy facility” means a facility that generates, stores, or distributes renewable energy as defined in section 269-91 or renewable fuel including electrical or thermal energy or liquid or gaseous fuels from products of agricultural activities from agricultural lands located in the State.

“Appurtenances” means operational infrastructure of the appropriate type and scale for the economic commercial generation, storage, distribution, and other similar handling of energy, including equipment, feedstock, fuels, and other products of agricultural-energy facilities;

- (18) Construction and operation of wireless communication antennas; provided that, for the purposes of this paragraph, “wireless communication antenna” means communications equipment that is either freestanding or placed upon or attached to an already existing structure and that transmits and receives electromagnetic radio signals used in the provision of all types of wireless communications services; provided further that nothing in this paragraph shall be construed to permit the construction of any new structure that is not deemed a permitted use under this subsection;
- (19) Agricultural education programs conducted on a farming operation as defined in section 165-2, for the education and participation of the general public; provided that the agricultural education programs are accessory and secondary to the principal agricultural use of the parcels or lots on which the agricultural education programs are to occur and do not interfere with surrounding farm operations. For the purposes of this section, “agricultural education programs” means activities or events designed to promote knowledge and understanding of agricultural activities and practices conducted on a farming operation as defined in section 165-2;
- (20) Solar energy facilities that do not occupy more than ten per cent of the acreage of the parcel, or twenty acres of land, whichever is lesser or for which a special use permit is granted pursuant to section 205-6; provided that this use shall not be permitted on lands with soil classified by the land study bureau’s detailed land classification as overall (master) productivity rating class A unless the solar energy facilities are:
  - (A) Located on a paved or unpaved road in existence as of December 31, 2013, and the parcel of land upon which the paved or unpaved road is located has a valid county agriculture tax dedication status or a valid agricultural conservation easement;
  - (B) Placed in a manner that still allows vehicular traffic to use the road; and
  - (C) Granted a special use permit by the commission pursuant to section 205-6;
- (21) Solar energy facilities on lands with soil classified by the land study bureau’s detailed land classification as overall (master) productivity rating B or C for which a special use permit is granted pursuant to section 205-6; provided that:

- (A) The area occupied by the solar energy facilities is also made available for compatible agricultural activities at a lease rate that is at least fifty per cent below the fair market rent for comparable properties;
- (B) Proof of financial security to decommission the facility is provided to the satisfaction of the appropriate county planning commission prior to date of commencement of commercial generation; and
- (C) Solar energy facilities shall be decommissioned at the owner's expense according to the following requirements:
  - (i) Removal of all equipment related to the solar energy facility within twelve months of the conclusion of operation or useful life; and
  - (ii) Restoration of the disturbed earth to substantially the same physical condition as existed prior to the development of the solar energy facility.

For the purposes of this paragraph, "agricultural activities" means the activities described in paragraphs (1) to (3); ~~or~~

- (22) Geothermal resources exploration and geothermal resources development, as defined under section 182-1[-]; or
- (23) Hydroelectric facilities, including the appurtenances associated with the production and transmission of hydroelectric energy, subject to section 205-2; provided that the hydroelectric facilities and their appurtenances:
  - (A) Have a hydroelectric generating capacity of not more than five hundred kilowatts;
  - (B) Comply with the state water code, chapter 174C;
  - (C) Are accessory to agricultural activities on agricultural land for agricultural use only; and
  - (D) Do not adversely impact or impede the use of agricultural land or the availability of surface or ground water for all uses on all parcels that are served by the ground water sources or streams for which hydroelectric facilities are considered."

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2015; provided that the amendments made to section 205-4.5(a), Hawaii Revised Statutes, by section 3 of this Act shall not be repealed when that section is reenacted on June 30, 2019, pursuant to section 3(1) of Act 52, Session Laws of Hawaii 2014.

(Approved July 13, 2015.)

## ACT 229

H.B. NO. 1394

A Bill for an Act Relating to Water Reclamation.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that as an island state, Hawaii has limited access to natural fresh water supplies. Amid increasing population and development, sustainable access to fresh water is key to the State's future and new and innovative options for water conservation must be explored.

The process of water scalping involves the extraction of valuable, usable water from a sewerage network. By treating this extracted water to achieve varying degrees of water safety and quality, otherwise unused and wasted water may be reclaimed and put to beneficial uses, such as outdoor irrigation of golf courses, parks, and landscaped areas, and various other potable, non-potable, and indirect-potable uses. This decentralized method of water treatment and conservation has already been successfully implemented in several Australian cities and is being explored as an option in several areas of the United States, including California, Arizona, and Washington.

The purpose of this Act is to explore the sustainability and conservation potential of water scalping in Hawaii by conducting a feasibility study on the use of water scalping technology in state airport facilities and, if funds are available, developing a process design for the processing portion of the implementation of water scalping technology.

SECTION 2. (a) The airports division of the department of transportation shall conduct a feasibility study on the use of water scalping technology in state airport facilities and, if funds are available, may develop a process design for the processing portion of the implementation of water scalping technology.

(b) The feasibility study shall include an analysis of the following:

- (1) Potential benefit to the State from the development of water scalping technology;
- (2) Compatibility of water scalping technology with existing state airport facility infrastructure;
- (3) Cost projections to:
  - (A) Upgrade existing airport facilities to incorporate water scalping technology; and
  - (B) Incorporate water scalping technology in any new construction plans for state airport facilities; and
- (4) Potential incentives for private industry to utilize water scalping technology in a way that benefits the State.

(c) The airports division of the department of transportation shall submit to the legislature, no later than twenty days prior to the convening of the regular session of 2016, a report on its findings and recommendations. The report shall include recommendations on:

- (1) Specific airport facilities or areas where water scalping technology should be deployed;
- (2) The net benefit, given cost considerations, of mandating the use of water scalping technology in state airport facilities;
- (3) Cost estimates and practicability for the deployment of water scalping throughout the State, including public acceptance of the technology; and
- (4) If practicable, process design for the processing portion of the implementation of water scalping technology.

SECTION 3. The airports division of the department of transportation shall apply for a Federal Aviation Administration grant to fund the implementation of a water scalping technology pilot project.

SECTION 4. Of the amount appropriated out of the airport special fund for airports administration (TRN195), as provided for in the General Appropriations Act of 2015 (House Bill No. 500, H.D. 1, S.D. 1, C.D. 1)<sup>1</sup> for expenditure, there is appropriated the sum of \$8,600,000 or so much thereof as may be necessary for fiscal year 2015-2016 for the airports division of the department

of transportation to conduct a feasibility study on the use of water scalping technology in state airport facilities and, if funds are available, develop a process design for the processing portion of the implementation of water scalping technology; provided that:

- (1) If Federal Aviation Administration funds are available, the department of transportation may expend these federal funds for this purpose; and
- (2) If Federal Aviation Administration funds are not available for the purpose of this feasibility study, the department of transportation may expend up to the amount of airport special fund moneys appropriated in this section for this purpose.

The sum appropriated may be expended by the department of transportation for the purposes of this Act.

SECTION 5. This Act shall take effect on July 1, 2015.

(Approved July 13, 2015.)

**Note**

1. Act 119.

**ACT 230**

H.B. NO. 393

A Bill for an Act Relating to Hawaiian Fishponds.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the repair or restoration of Hawaiian loko i'a (fishponds) may require permits from the department of land and natural resources, department of health, office of planning, federal agencies, and county agencies. The legislature further finds that the permit process for repair or restoration of loko i'a may be time-consuming, complicated, confusing, and inconsistent across agencies. Burdensome regulations and permit requirements have historically prevented community organizations or native Hawaiian lawai'a (aquaculturalists) from initiating projects to restore, repair, or maintain loko i'a.

In practice, it has reportedly taken up to ten years to obtain the certifications and permits required for loko i'a restoration and repair by state and federal law, including the Clean Water Act and the Coastal Zone Management Act. For example, sections 401 and 404 of the Clean Water Act require first a water quality certification and permit from the department of health and then a permit from the Army Corps of Engineers before loko i'a activities may proceed.

Government and community interests have demonstrated their willingness and ability to work together to streamline the permit process for Hawaiian loko i'a. Pursuant to Senate Resolution No. 86 (2012), the department of land and natural resources, office of planning, and department of health have led these efforts, including coordination with cultural practitioners, community groups, and affected federal and county agencies.

The department of land and natural resources is in the final stages of implementing a statewide programmatic general permit and programmatic agreement that would allow most applicants for loko i'a restoration and repair permits to submit a single permit application for review by an interagency advisory group and relevant resource agencies instead of a series of single-agency applications. Upon the appropriate findings by the advisory group, the department



of land and natural resources would be able to issue the applicant an authorization to proceed. After a final thirty-day comment period, the permit would be issued and the applicant may conduct restoration and repair activities in compliance with existing environmental protection and other laws, including the Clean Water Act.

The purpose of this Act is to ensure that the statewide programmatic general permit and programmatic agreement function as intended by specifying that a permit applicant that has received notice of authorization to proceed from the department of land and natural resources is not required to obtain additional water quality certification from the department of health. The legislature finds that the intent of this Act is to improve state government efficiency and response time in the administration of water pollution control. It is not the intent of the legislature to limit or impede state environmental controls on water pollution.

SECTION 2. Section 342D-6.5, Hawaii Revised Statutes, is amended to read as follows:

~~“[§342D-6.5] Hawaiian fishponds, loko i‘a. (a) The department shall process applications for permits and water quality certifications for the reconstruction, restoration, repair, or reuse of any loko i‘a, or Hawaiian fishpond as defined in section 183B-1, before all other permits and certifications. The director shall render a decision on the completeness of any application for that permit or water quality certification within thirty days of receipt. Applications for fishpond loko i‘a reconstruction, restoration, or repair that are incomplete shall be denied without prejudice. The director shall render a decision on any complete application for a permit or water quality certification for any fishpond loko i‘a within one hundred fifty days.~~

(b) The department shall waive the requirement to obtain water quality certification under this chapter for any person that has received notice of authorization to proceed from the department of land and natural resources office of conservation and coastal lands under the statewide programmatic general permit for the restoration, repair, maintenance, and operation of loko i‘a.

(c) For purposes of this section:

“Water quality certification” means state certification pursuant to section 401 of the federal Clean Water Act.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved July 13, 2015.)

**ACT 231**

S.B. NO. 961

A Bill for an Act Relating to Mental Health Treatment.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 334-123, Hawaii Revised Statutes, is amended to read as follows:

**“§334-123 Initiation of proceeding for assisted community treatment. (a)** Any interested party may file a petition with the family court alleging that an-

other person meets the criteria for assisted community treatment. The petition shall state:

- (1) Each of the criteria numbered (1) through (7) for assisted community treatment, as set out in section 334-121;
- (2) Petitioner's good faith belief that the subject of the petition meets each of the criteria numbered (1) through (7) set forth in section 334-121;
- (3) Facts which support petitioner's good faith belief that the subject of the petition meets each of the criteria numbered (1) through (7) set forth in section 334-121; and
- (4) ~~[[That]]~~ the subject of the petition is present within the county where the petition is filed.

The hearing on the petition need not be limited to the facts stated in the petition. The petition shall be executed subject to the penalties of perjury.

(b) The petition may be accompanied by a certificate of a licensed psychiatrist who has examined the subject of the petition ~~[at any time]~~ within twenty calendar days prior to the ~~[submission]~~ filing of the petition. For purposes of the petition, an examination shall be considered valid so long as the licensed psychiatrist has obtained enough information from the subject of the petition to reach a diagnosis of the subject of the petition, and to express a professional opinion concerning the same, even if the subject of the petition is not fully cooperative.

~~[(e) If the subject of the petition has refused to submit to examination by a licensed psychiatrist, the fact of the refusal shall be alleged in the petition.]~~"

SECTION 2. Section 334-124, Hawaii Revised Statutes, is amended to read as follows:

**"§334-124 Hearing date.** The family court shall set a hearing date on a petition as soon as possible ~~[-, but within ten days after filing of the petition].~~"

SECTION 3. Section 334-125, Hawaii Revised Statutes, is amended to read as follows:

**"§334-125 Notice.** (a) Notice of the hearing shall be:

- (1) Served personally on the subject of the petition pursuant to family court rules; ~~[and]~~
  - (2) Served personally or by certified or registered mail, return receipt requested, deliverable to the addressee only, to as many as are known to the petitioner of the subject's spouse or reciprocal beneficiary, legal parents, adult children, and legal guardian, if one has been appointed;
  - (3) Served on the public defender, attorney for the subject of the petition, or other court-appointed attorney as applicable; and
  - (4) Given to such other persons as the court may designate.
- (b) The notice shall include the following:
- (1) The date, time, place of hearing, a clear statement of the purpose of the proceedings and possible consequences to the subject, and a statement of the legal standard upon which assisted community treatment is being considered;
  - (2) A copy of the petition;
  - (3) Notice that the subject of the petition is entitled to the assistance of an attorney, and that the public defender has been notified of these proceedings; and

(4) Notice that if the subject does not want to be represented by the public defender, the subject may contact the subject's own attorney.

(c) Notice of all subsequent hearings shall be served in accordance with subsections (a) and (b), and in accordance with all applicable family court rules relating to service of notice, including that service need not be made on parties in default for failure to appear."

SECTION 4. Section 334-126, Hawaii Revised Statutes, is amended to read as follows:

**"§334-126 Hearing on petition.** (a) The court may adjourn or continue a hearing for failure to timely notify a person entitled to be notified.

(b) The time and form of the procedure incident to hearing the issues in the petition shall be provided by family court rule and consistent with this part.

(c) Hearings may be held at any convenient place within the circuit. The subject of the petition, any interested party, or the family court upon its own motion may request a hearing in another court because of inconvenience to the parties, witnesses, or the family court or because of the subject's physical or mental condition.

(d) The hearing shall be closed to the public, unless the subject of the petition requests otherwise.

(e) The subject of the petition shall be present at the hearing. However, if the subject has been served with the petition and does not appear at the hearing, the court~~], in its discretion, may go forward with the hearing.]~~ may appoint a guardian ad litem to represent the best interests of the subject through the proceedings.

(f) ~~[The subject of the petition need not, but may, be represented by an attorney. If the subject desires an attorney and is indigent, or if the family court determines that the legal or factual issues raised are of such complexity that the assistance of an attorney is necessary for an adequate presentation of the merits or that the subject of the petition is unable to speak for the subject's self, the family court shall order the appointment of a public defender or other attorney to represent the subject and continue the hearing for not more than seven days.]~~ Notwithstanding chapter 802 to the contrary, the public defender or other court-appointed counsel shall represent the subject upon filing of the petition. A copy of the petition shall be served upon the public defender by the petitioner. The public defender or the court-appointed counsel may withdraw upon a showing that the subject is not indigent. If the subject does not desire representation, the court may discharge the attorney after finding that the subject understands the proceedings and the relief prayed for in the petition. Nothing in this subsection shall be construed to:

(1) Require the subject of the petition to accept legal representation by the public defender or other court-appointed counsel; or

(2) Prevent the subject of the petition from obtaining their own legal counsel to represent them in any proceeding.

(g) If the subject of the petition is represented by an attorney, the attorney shall be allowed adequate time for investigation of the matters at issue and for preparation, and shall be permitted to present the evidence that the attorney believes necessary for a proper disposition of the proceeding.

(h) No subject of the petition shall be ordered to receive assisted community treatment unless at least one psychiatrist testifies in person at the hearing who has personally assessed the subject ~~[within the time period commencing ten calendar days before the filing of the petition and ending at the time of the psychiatrist's testimony.]~~ within a reasonable time before the filing of the peti-

tion up to the time when the psychiatrist provides oral testimony at court. The psychiatrist's testimony shall state the facts which support the allegation that the subject meets all the criteria for assisted community treatment, provide a written treatment plan, which shall include non-mental health treatment if appropriate, provide the rationale for the recommended treatment, and identify the designated mental health program responsible for the coordination of care.

If the recommended assisted community treatment includes medication, the psychiatrist's testimony shall describe the types or classes of medication which should be authorized, and describe the physical and mental beneficial and detrimental effects of such medication.

~~[If the subject of the petition has refused to be examined by a licensed psychiatrist, the family court may request the subject to consent to examination by a psychiatrist appointed by the court or employed at a community mental health center. If the subject of the petition does not consent and the family court finds sufficient evidence to believe that the allegations in the petition are true, the family court may order the commitment of the subject to a psychiatric facility for examination. The commitment shall not be for more than forty eight hours. The examining psychiatrist shall submit the findings and recommendations to the family court in the form of a written treatment plan.~~

~~The subject of the petition's refusal to submit voluntarily to examination shall be treated as a denial that the subject is mentally ill or suffering from substance abuse, and a denial that the subject otherwise fits within the criteria for a court order of assisted community treatment.~~

~~Nothing herein shall be construed in a way that limits the subject of the petition's privilege against self-incrimination.]~~

(1) The subject of the petition may secure a psychiatric examination and present the findings as evidence at the hearing. The subject shall be entitled to a psychiatric examination at a community mental health center if the subject so desires, and if an examination has not already been conducted at a community mental health center which will lead to psychiatric testimony at the hearing."

SECTION 5. Section 802-1, Hawaii Revised Statutes, is amended to read as follows:

**"§802-1 Right to representation by public defender or other appointed counsel. (a)** Any indigent person who is:<sup>1</sup>

- (1) Arrested for, charged with, or convicted of an offense or offenses punishable by confinement in jail or prison or for which the person may be or is subject to the provisions of chapter 571;
- (2) Threatened by confinement, against the indigent person's will, in any psychiatric or other mental institution or facility;
- (3) The subject of a petition for ~~[involuntary outpatient treatment]~~ assisted community treatment under chapter 334; or
- (4) The subject of a petition for involuntary medical treatment under chapter 353<sup>1</sup>

shall be entitled to be represented by a public defender. If, however, conflicting interests exist, or if the public defender for any other reason is unable to act, or if the interests of justice require, the court may appoint other counsel.

(b) ~~[The]~~ Except as provided in section 334-126(f), the appearance of the public defender in all judicial proceedings shall be subject to court approval.

(c) The appearance of a public defender in all hearings before the Hawaii paroling authority or other administrative body or agency shall be subject to the approval of the chairperson of the Hawaii paroling authority or the administrative head of the body or agency involved."

SECTION 6. Section 802-5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) ~~[When]~~ Except as provided in section 334-126(f), when it shall appear to a judge that a person requesting the appointment of counsel satisfies the requirements of this chapter, the judge shall appoint counsel to represent the person at all stages of the proceedings, including appeal, if any. If conflicting interests exist, or if the interests of justice require, the court may appoint private counsel, who shall receive reasonable compensation for necessary expenses, including travel, the amount of which shall be determined by the court, and reasonable fees pursuant to subsection (b). All expenses and fees shall be ordered by the court. Duly ordered payment shall be made upon vouchers approved by the director of finance and warrants drawn by the comptroller.”

SECTION 7. Act 221, Session Laws of Hawaii 2013, is amended by amending section 21 to read as follows:

“SECTION 21. (a) Any treating provider wishing to file a petition pursuant to section 334-123, Hawaii Revised Statutes, for assisted community treatment shall:

- (1) Obtain historical information related to MH-1s and hospitalization of persons who are under an order to treat; and
- (2) Track further episodes of MH-1s and hospitalization while the persons are under the order.

(b) An entity designated by the department of health shall gather information from treating providers related to MH-1s and hospitalization of persons who are under an order to treat ~~[and]~~. Treating providers shall provide the information specified in subsection (a)(1) and (2) to the department of health, or its designee, by September 30 of each year for the purposes of compiling the written report. The department of health shall submit an annual report of its findings and recommendations to the legislature no later than twenty days prior to the convening of every regular session beginning with the regular session of 2015.”

SECTION 8. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 9. This Act shall take effect upon its approval; provided that the amendments made to sections 334-123, 334-125, and 334-126, Hawaii Revised Statutes, by this Act shall not be repealed when those sections are reenacted on July 1, 2020, pursuant to section 24, Act 221, Session Laws of Hawaii 2013.

(Approved July 13, 2015.)

Note

1. So in original.

**ACT 232**

H.B. NO. 782

A Bill for an Act Relating to the Cytomegalovirus.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 321, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§321- **Cytomegalovirus public education.** (a) The department of health shall provide public education to inform pregnant women and women who may become pregnant regarding:

- (1) The transmission of the cytomegalovirus to pregnant women and women who may become pregnant;
- (2) Birth defects caused by congenital cytomegalovirus;
- (3) Methods of diagnosing congenital cytomegalovirus; and
- (4) Available preventative measures.

(b) The department of health shall provide the information described in subsection (a) to:

- (1) Hospitals licensed pursuant to section 321-14.5;
- (2) Health care providers offering care to pregnant women and infants;
- (3) Registered family child care homes;
- (4) Licensed group child care centers;
- (5) Licensed group child care homes;
- (6) Licensed infant and toddler child care centers; and
- (7) Religious, ecclesiastical, or denominational organizations offering children’s programs as a part of worship services.”

SECTION 2. New statutory material is underscored.<sup>1</sup>

SECTION 3. This Act shall take effect on July 1, 2015.

(Approved July 13, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 233**

H.B. NO. 206

A Bill for an Act Relating to Hawaiian Plants.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the use of Hawaiian plants in landscaping is fundamental to preserving and fostering a Hawaiian sense of place in our neighborhoods and communities. Historically, each island, moku, and ahupua‘a supported varied and diverse Hawaiian plant life. The connections between certain areas and certain plants hold cultural significance and reflect an ecological balance achieved through long-term adaptation to specific local environments.

The relatively recent influx of non-native plant species and invasive plant species has transformed Hawai‘i’s urban and natural environment. Some invasive plants have displaced and endangered Hawai‘i’s native plants and animals. Notably, state landscaping projects have continued to utilize and propagate some of these more recently introduced plants, notwithstanding the importance of Hawaiian plants to biodiversity, ecological stability, and a cultural sense of place.

Accordingly, the legislature finds that publicly funded landscaping should embody the cultural and ecological heritage of the place in which the landscaping is located, through the use of Hawaiian plants associated with each project area. The legislature further finds that a place-based approach to landscaping on the local level is important and desirable for cultural preservation, biodiversity, biosecurity, and ecosystem management.

The purpose of this Act is to amend the state public procurement code to require that all publicly funded landscaping projects include a minimum percentage of Hawaiian plants, in order to contribute to a Hawaiian sense of place, to reduce the use of non-native invasive plant species, and to support the preservation of Hawai'i's cultural and ecological heritage.

SECTION 2. Section 103D-408, Hawaii Revised Statutes, is amended to read as follows:

**“[§103D-408] Indigenous and Polynesian introduced] Hawaiian plants; use in public landscaping.** (a) [Wherever and whenever feasible,] Subject to exceptions as established under subsection (d), and pursuant to the timetable described in subsection (c), all plans, designs, and specifications for new or renovated landscaping of any building, complex of buildings, facility, complex of facilities, or housing developed by the State with public moneys shall incorporate [indigenous land plant species as defined in section 195D-2, and plant species brought to Hawaii by Polynesians before European contact, such as the kukui, noni, and coconut;] Hawaiian plants; provided that:

- (1) Suitable cultivated plants can be made available for this purpose without jeopardizing wild plants in their natural habitat; and
- (2) Wherever and whenever possible, [indigenous] Hawaiian plants shall be used for landscaping on, and sourced from, the island [or islands on] and ahupua'a in which the species [originated-] was found or known to occur prior to European contact.
- (b) Each plant or group of plants used pursuant to subsection (a) shall be clearly identified with signs for the edification of the general public.
- (c) The timetable for the incorporation of Hawaiian plants pursuant to subsection (a) shall be as follows:

- (1) By January 1, 2019, Hawaiian plants shall constitute a combined minimum of ten per cent of the total plant footprint for landscaping plans, designs, and specifications;
- (2) By January 1, 2025, Hawaiian plants shall constitute a combined minimum of twenty-five per cent of the total plant footprint for landscaping plans, designs, and specifications;
- (3) By January 1, 2030, Hawaiian plants shall constitute a combined minimum of thirty-five per cent of the total plant footprint for landscaping plans, designs, and specifications.

(d) Notwithstanding chapter 91, for the purposes of satisfying the percentage footprint requirements under subsection (c), the purchasing agency may exclude from total plant footprint calculations those areas where available Hawaiian plant species are not appropriate for the particular landscaping needs or environmental conditions of such areas. The exclusion of such areas shall be determined by procedures, standards, or guidelines established by the policy board at the time of issuance of the invitation for bids, requests for proposals, or other solicitation under this chapter. Procedures, standards, or guidelines established pursuant to this subsection may be established by board action notwithstanding chapter 91.

(e) For purposes of this section, “Hawaiian plants” means any endemic or indigenous plant species, including land, freshwater, and marine plant species, growing or living in Hawaii without having been brought to Hawaii by humans; or any plant species, including land, freshwater, and marine plant species, brought to Hawaii by Polynesians before European contact, such as kukui, kalo, wauke, niu, noni, and kamani.”

SECTION 3. This Act shall not be applied so as to impair any contract existing as of the effective date of this Act in a manner violative of either the Hawaii State Constitution or article I, section 10, of the United States Constitution.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval; provided that section 2 shall take effect on June 30, 2016.

(Approved July 13, 2015.)

## ACT 234

H.B. NO. 1251

A Bill for an Act Relating to Public Charter Schools.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that facilities funding has been a long-standing issue for charter schools nationally and locally. In Hawaii, start-up charter schools have paid the costs of their facilities from operational funds. However, Act 159, Session Laws of Hawaii 2013, authorized the state public charter school commission to request facilities funding as part of its annual budget request to the director of finance beginning with the 2014-2015 fiscal year.

During the regular session of 2014, several bills providing some type of facilities funding reached the committee on conference, indicating recognition of the need to support charter schools facilities to help ensure the financial, academic, and organizational health of public charter schools. However, the bills failed to pass the legislature. A recent board of education report on charter schools also recognized that the long-term financial sustainability of charter schools remains a concern.

The purpose of this Act is to provide:

- (1) A framework for providing facilities funding and support for public charter school facilities with adequate prioritization, oversight, and accountability; and
- (2) Public charter schools and early learning programs that are affiliated with a public charter school with the opportunity to secure the use of additional state facilities deemed vacant and appropriate for use.

SECTION 2. Chapter 302D, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§302D- Use of vacant department facilities.** (a) When any department considers whether to close any particular facility, it shall give reasonable consideration to making all or portions of the facility available to public charter schools and early learning programs that are affiliated with a public charter school.

(b) Each department shall provide notice to the superintendent and state public charter school commission identifying suitable unused facilities that may be appropriate for:

- (1) Public charter schools; and
- (2) Early learning programs, including the pre-plus program, that are affiliated with a public charter school.



The department of accounting and general services shall inventory the suitable facilities, and, in determining suitability for educational re-use, priority shall be given to facilities on sites with sufficient space for three or more classrooms.

(c) The department of accounting and general services shall adopt rules pursuant to chapter 91 necessary to carry out the purposes of this section.

(d) For purposes of this section, "department" means all of the departments listed in section 26-4.

(e) Upon receipt of a notice pursuant to subsection (b), the state public charter school commission shall:

- (1) Solicit applications from public charter schools or early learning programs that are affiliated with a public charter school, respectively, that are interested in using and occupying all or portions of the facilities; and
- (2) Submit a prioritized list of public charter schools or early learning programs that are affiliated with a public charter school, respectively, to the department of accounting and general services for final determination of which public charter schools or early learning programs that are affiliated with a public charter school, if any, shall be authorized to use and occupy the facilities."

SECTION 3. Section 302D-21, Hawaii Revised Statutes, is amended to read as follows:

**"§302D-21 Annual board report.** No later than twenty days prior to the convening of each regular session of the legislature, the board shall issue to the governor, the legislature, and the public, an annual report on the State's public charter schools, drawing from the annual reports submitted by every authorizer, as well as any additional relevant data compiled by the board, for the school year ending in the preceding calendar year. The annual report shall include:

- (1) The board's assessment of the successes, challenges, and areas for improvement in meeting the purposes of this chapter, including the board's assessment of the sufficiency of funding for public charter schools, and any suggested changes in state law or policy necessary to strengthen the State's public charter schools;
- (2) A line-item breakdown of all federal funds received by the department and distributed to authorizers;
- (3) Any concerns regarding equity and recommendations to improve access to and distribution of federal funds to public charter schools; ~~and~~
- (4) A summary of the criteria used by the charter school facilities funding working group, established pursuant to section 302D-29.5, in allocating facilities funding;
- (5) A detailed breakdown of the allocation of funding through general funds and bond funds;
- (6) A detailed list of the projects funded by general funds and bond funds;
- (7) The status of funding for projects previously awarded; and
- ~~(4)~~ (8) A discussion of all board policies adopted in the previous year, including a detailed explanation as to whether each policy is or is not applicable to charter schools."

SECTION 4. Section 302D-29.5, Hawaii Revised Statutes, is amended to read as follows:

**"§302D-29.5 Facilities funding.** ~~[(a) Beginning with fiscal year 2014-2015 and each fiscal year thereafter, the commission may request facilities fund-~~

ing for charter schools as part of its annual budget request to the director of finance and may receive, expend, or allocate any funds provided by the facilities funding request.

~~(b) The legislature may make an appropriation based upon the facilities funding request pursuant to subsection (a).~~

(a) Beginning with the 2016-2017 fiscal year, and each fiscal year thereafter, the legislature shall consider making an appropriation and bond authorization to the commission for the design, planning, construction, repair, and maintenance of public charter school improvements to address issues of health, safety, and legal compliance; expand or improve instructional space; provide for food services; or provide restroom facilities. The appropriation and bond authorization for charter schools shall be separate from, and in addition to, any appropriation made to charter schools pursuant to this section and section 302D-28. These amounts shall be prioritized for allocation by the charter school facilities funding working group.

~~(b)~~ (b) The governor, pursuant to chapter 37, may impose restrictions or reductions on appropriations for charter schools similar to those imposed on department schools.

~~(c)~~ (c) This section shall not limit the ability of the director of finance to modify or amend any allotment pursuant to chapter 37.

(d) There is established a charter school facilities funding working group within the department of education, which shall consist of the following members, or their designees:

- (1) The chairperson of the commission;
- (2) The executive director of the commission;
- (3) The director of finance;
- (4) The comptroller;
- (5) The superintendent of education;
- (6) An individual with expertise in real estate, to be appointed by the chairperson of the commission; and
- (7) An individual with expertise in finance, to be appointed by the chairperson of the commission.

~~(e)~~ (e) The commission shall develop criteria to determine the distribution of funds appropriated pursuant to subsection ~~(b)~~ (a) to the charter schools. The criteria shall include ~~[but not be limited to]~~ distribution based on the need and performance of the charter schools~~[-]~~, overall benefit to the surrounding community, amount of risk and availability of recourse to the State, and whether a particular charter school received facilities funding through other state funding, including grants-in-aid or a separate appropriation.

The charter school facilities funding working group shall be exempt from chapter 92 and shall act in an advisory capacity to prioritize the allocation of general fund appropriations and bond proceeds for public charter schools to expend based on the criteria established by the commission.

~~(f)~~ (e) Nothing in this section shall be construed as restricting the authority of the commission to support the facilities needs of the charter schools through other means.”

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

SECTION 6. This Act shall take effect upon its approval.

(Approved July 13, 2015.)

Note

1. Edited pursuant to HRS §23G-16.5.

A Bill for an Act Relating to Autism Spectrum Disorders.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to ensure the provision of quality health care by requiring insurance coverage for the diagnosis and treatment of autism.

SECTION 2. This Act shall be known and may be cited as "Luke's Law".

SECTION 3. Chapter 431, Hawaii Revised Statutes, is amended by adding a new section to article 10A to be appropriately designated and to read as follows:

**"§431:10A- Autism benefits and coverage; notice; definitions.** (a) Each individual or group accident and health or sickness insurance policy issued or renewed in this State after January 1, 2016, shall provide to the policyholder and individuals under fourteen years of age covered under the policy coverage for the diagnosis and treatment of autism.

(b) This section shall not apply to disability, accident-only, medicare, medicare supplement, student accident and health or sickness insurance, dental-only, and vision-only policies or policies or renewals of six months or less.

(c) Every insurer shall provide written notice to its policyholders regarding the coverage required by this section. The notice shall be in writing and prominently positioned in any literature or correspondence sent to policyholders and shall be transmitted to policyholders within calendar year 2016 when annual information is made available to policyholders or in any other mailing to policyholders, but in no case later than December 31, 2016.

(d) Coverage for applied behavioral analysis provided under this section shall be subject to a maximum benefit of \$25,000 per year for services for children ages thirteen and under. This section shall not be construed as limiting benefits that are otherwise available to an individual under an accident and health or sickness insurance policy. Payments made by an insurer on behalf of a covered individual for any care, treatment, intervention, or service other than applied behavioral analysis shall not be applied toward the maximum benefit established under this subsection.

(e) Coverage under this section may be subject to copayment, deductible, and coinsurance provisions of an accident and health or sickness insurance policy that are no less favorable than the copayment, deductible, and coinsurance provisions for substantially all medical services covered by the policy.

(f) Treatment for autism requests shall include a treatment plan. Except for inpatient services, if an individual is receiving treatment for autism, an insurer may request a review of the treatment plan for continued authorization of coverage for treatment for autism at the insurer's discretion.

(g) The medical necessity of treatment covered by this section shall be determined pursuant to the policy and shall be defined in the policy in a manner that is consistent with other services covered under the policy. Except for inpatient services, if an individual is receiving treatment for autism, an insurer may request a review of the medical necessity of that treatment at the insurer's discretion.

(h) This section shall not be construed as reducing any obligation to provide services to an individual under any publicly funded program, an indi-

vidualized family service plan, an individualized education program, or an individualized service plan.

(i) Coverage under this section shall exclude coverage for:

- (1) Care that is custodial in nature;
- (2) Services and supplies that are not clinically appropriate;
- (3) Services provided by family or household members;
- (4) Treatments considered experimental; and
- (5) Services provided outside of the State.

(j) Insurers shall include in their network of approved autism service providers only those providers who have cleared state and federal criminal background checks as determined by the insurer.

(k) If an individual has been diagnosed as having autism meeting the diagnostic criteria described in the Diagnostic and Statistical Manual of Mental Disorders available at the time of diagnosis, upon publication of a more recent edition of the Diagnostic and Statistical Manual of Mental Disorders, that individual may be required to undergo repeat evaluation to remain eligible for coverage under this section.

(l) Treatment for autism shall not be covered pursuant to this section unless provided by an autism service provider that is licensed by a state licensure board. If a state licensure board that licenses providers to provide autism services is unavailable, the autism service provider shall:

- (1) Be certified by the Behavior Analyst Certification Board, Inc.; provided that certification by the Behavior Analyst Certification Board, Inc., shall be valid for purposes of this subsection for no more than one year; or
- (2) Meet any existing credentialing requirements determined by the insurer.

(m) As used in this section, unless the context clearly requires otherwise:

“Applied behavior analysis” means the design, implementation, and evaluation of environmental modifications, using behavioral stimuli and consequences, to produce socially significant improvement in human behavior, including the use of direct observation, measurement, and functional analysis of the relations between environment and behavior.

“Autism” means autism spectrum disorder as defined by the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders.

“Autism service provider” means any person, entity, or group that provides treatment for autism and meets the minimum requirements pursuant to subsection (l).

“Behavioral health treatment” means evidence based counseling and treatment programs, including applied behavior analysis, that are:

- (1) Necessary to develop, maintain, or restore, to the maximum extent practicable, the functioning of an individual; and
- (2) Provided or supervised by an autism service provider.

“Diagnosis of autism” means medically necessary assessments, evaluations, or tests conducted to diagnose whether an individual has autism.

“Pharmacy care” means medications prescribed by a licensed physician or registered nurse practitioner and any health-related services that are deemed medically necessary to determine the need or effectiveness of the medications.

“Psychiatric care” means direct or consultative services provided by a licensed psychiatrist.

“Psychological care” means direct or consultative services provided by a licensed psychologist.

“Therapeutic care” means services provided by licensed speech pathologists, registered occupational therapists, licensed social workers, licensed clinical social workers, or licensed physical therapists.

“Treatment for autism” includes the following care prescribed or ordered for an individual diagnosed with autism by a licensed physician, psychiatrist, psychologist, licensed clinical social worker, or registered nurse practitioner if the care is determined to be medically necessary:

- (1) Behavioral health treatment;
- (2) Pharmacy care;
- (3) Psychiatric care;
- (4) Psychological care; and
- (5) Therapeutic care.”

SECTION 4. Chapter 432, Hawaii Revised Statutes, is amended by adding a new section to article 1 to be appropriately designated and to read as follows:

**“§432:1- Autism benefits and coverage; notice; definitions.** (a) Each hospital and medical service plan contract issued or renewed in this State after January 1, 2016, shall provide to the member and individuals under fourteen years of age covered under the plan contract coverage for the diagnosis and treatment of autism.

(b) This section shall not apply to disability, accident-only, medicare, medicare supplement, student accident and health or sickness insurance, dental-only, and vision-only policies or policies or renewals of six months or less.

(c) Every mutual benefit society shall provide written notice to its members regarding the coverage required by this section. The notice shall be in writing and prominently positioned in any literature or correspondence sent to members and shall be transmitted to members within calendar year 2016 when annual information is made available to members or in any other mailing to members, but in no case later than December 31, 2016.

(d) Coverage for applied behavioral analysis provided under this section shall be subject to a maximum benefit of \$25,000 per year for services for children ages thirteen and under. This section shall not be construed as limiting benefits that are otherwise available to a member under a hospital and medical service plan contract. Payments made on behalf of a member for any care, treatment, intervention, or service other than applied behavioral analysis shall not be applied toward the maximum benefit established under this subsection.

(e) Coverage under this section may be subject to copayment, deductible, and coinsurance provisions of a policy that are no less favorable than the copayment, deductible, and coinsurance provisions for substantially all medical services covered by the plan contract.

(f) Treatment for autism requests shall include a treatment plan. Except for inpatient services, if an individual is receiving treatment for autism, a mutual benefit society may request a review of the treatment plan for continued authorization of coverage for treatment for autism at the mutual benefit society’s discretion.

(g) The medical necessity of treatment covered by this section shall be determined pursuant to the plan contract and shall be defined in the plan contract in a manner that is consistent with other services covered under the plan contract. Except for inpatient services, if an individual is receiving treatment for autism, a mutual benefit society may request a review of the medical necessity of that treatment at the society’s discretion.

(h) This section shall not be construed as reducing any obligation to provide services to an individual under any publicly funded program, an individualized family service plan, an individualized education program, or an individualized service plan.

(i) Coverage under this section shall exclude coverage for:

- (1) Care that is custodial in nature;
- (2) Services and supplies that are not clinically appropriate;
- (3) Services provided by family or household members;
- (4) Treatments considered experimental; and
- (5) Services provided outside of the State.

(j) Mutual benefit societies shall include in their network of approved autism service providers only those providers who have cleared state and federal criminal background checks as determined by the society.

(k) If an individual has been diagnosed as having autism meeting the diagnostic criteria described in the Diagnostic and Statistical Manual of Mental Disorders available at the time of diagnosis, upon publication of a more recent edition of the Diagnostic and Statistical Manual of Mental Disorders, that individual may be required to undergo repeat evaluation to remain eligible for coverage under this section.

(l) Treatment for autism shall not be covered pursuant to this section unless provided by an autism service provider that is licensed by a state licensure board. If a state licensure board that licenses providers to provide autism services is unavailable, the autism service provider shall:

- (1) Be certified by the Behavior Analyst Certification Board, Inc.; provided that certification by the Behavior Analyst Certification Board, Inc., shall be valid for purposes of this subsection for no more than one year; or
- (2) Meet any existing credentialing requirements determined by the mutual benefit society.

(m) As used in this section, unless the context clearly requires otherwise:

“Applied behavior analysis” means the design, implementation, and evaluation of environmental modifications, using behavioral stimuli and consequences, to produce socially significant improvement in human behavior, including the use of direct observation, measurement, and functional analysis of the relations between environment and behavior.

“Autism” means autism spectrum disorder as defined by the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders.

“Autism service provider” means any person, entity, or group that provides treatment for autism and meets the minimum requirements pursuant to subsection (l).

“Behavioral health treatment” means evidence based counseling and treatment programs, including applied behavior analysis, that are:

- (1) Necessary to develop, maintain, or restore, to the maximum extent practicable, the functioning of an individual; and
- (2) Provided or supervised by an autism service provider.

“Diagnosis of autism” means medically necessary assessments, evaluations, or tests conducted to diagnose whether an individual has autism.

“Pharmacy care” means medications prescribed by a licensed physician or registered nurse practitioner and any health-related services that are deemed medically necessary to determine the need or effectiveness of the medications.

“Psychiatric care” means direct or consultative services provided by a licensed psychiatrist.

“Psychological care” means direct or consultative services provided by a licensed psychologist.

“Therapeutic care” means services provided by licensed speech pathologists, registered occupational therapists, licensed social workers, licensed clinical social workers, or licensed physical therapists.

“Treatment for autism” includes the following care prescribed or ordered for an individual diagnosed with autism by a licensed physician, psychiatrist, psychologist, licensed clinical social worker, or registered nurse practitioner if the care is determined to be medically necessary:

- (1) Behavioral health treatment;
- (2) Pharmacy care;
- (3) Psychiatric care;
- (4) Psychological care; and
- (5) Therapeutic care.”

SECTION 5. Section 432D-23, Hawaii Revised Statutes, is amended to read as follows:

“**§432D-23 Required provisions and benefits.** Notwithstanding any provision of law to the contrary, each policy, contract, plan, or agreement issued in the State after January 1, 1995, by health maintenance organizations pursuant to this chapter, shall include benefits provided in sections 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116, ~~431:10A-116.2~~, 431:10A-116.5, 431:10A-116.6, 431:10A-119, 431:10A-120, 431:10A-121, ~~431:10A-122~~, 431:10A-125, 431:10A-126, [~~431:10A-122, and 431:10A-116.2,~~] ~~and 431:10A-~~, and chapter 431M.”

SECTION 6. Notwithstanding section 432D-23, Hawaii Revised Statutes, the coverage and benefit for autism to be provided by a health maintenance organization under section 4 of this Act shall apply to all policies, contracts, plans, or agreements issued or renewed in this State by a health maintenance organization after January 1, 2016.

SECTION 7. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 8. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

SECTION 9. This Act shall take effect on July 1, 2015.

(Approved July 13, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

SECTION 1. Section 304A-2153, Hawaii Revised Statutes, is amended to read as follows:

**“§304A-2153 University of Hawaii tuition and fees special fund.**

(a) There is established the University of Hawaii tuition and fees special fund into which shall be deposited all revenue collected by the university for regular, summer, and continuing education credit tuition, tuition-related course and fee charges, and any other charges to students, except as provided by law. Moneys deposited into the fund shall be expended to maintain or improve the university's programs and operations and shall not be:

- (1) Used as a justification for reducing any budget request or allotment to the university unless the university requests such a reduction;
- (2) Transferred unless otherwise authorized by the legislature; and
- (3) Restricted by the governor or the director of finance without the prior approval of the legislature.

Any rule, policy, or action of any agency or individual in contravention of this subsection shall be void as against public policy.

(b) Any law to the contrary notwithstanding, the board of regents may authorize expenditures of up to \$3,000,000 annually, excluding in-kind services, from this fund for the purposes of promoting alumni relations and generating private donations for deposit into the University of Hawaii Foundation for the purposes of the university. Any expenditure authorized pursuant to this subsection shall be for a public purpose and shall not be subject to chapters 42F, 103, 103D, and 103F. The university shall submit a comprehensive report to the legislature detailing the use of any funds authorized by the board under this subsection no later than twenty days prior to the convening of each regular session.

The report shall:

- (1) Identify each department of the University of Hawaii Foundation supported by moneys from the fund;
- (2) Describe the purposes and activities of each department identified in paragraph (1) and how it participates in fundraising activities and benefits the university;
- (3) Provide the total expenditures of each department identified in paragraph (1) by primary expense categories;
- (4) Identify all moneys from the fund transferred to any fund of the university and provide a justification of how these moneys are used to benefit the university;
- (5) Provide a financial summary of the operating activities of the University of Hawaii Foundation, including revenues and expenditures by major reporting categories; and
- (6) Identify amounts and purposes of all expenditures from the University of Hawaii support fund.

(c) Any law to the contrary notwithstanding, the university may transfer funds from the University of Hawaii tuition and fees special fund into the scholarship and assistance special fund established pursuant to section §304A-2159.

(d) In estimating its quarterly budget requirements, each campus of the University of Hawaii shall prepare a plan for the fiscal year for the operation of each of the programs that it is responsible for administering. The operations plan shall be:

- (1) In such form and content as the vice president for budget and finance and chief financial officer of the University of Hawaii may prescribe; and
- (2) Submitted, together with the estimated quarterly budget requirements, to the vice president for budget and finance and chief financial officer on such date as the vice president for budget and finance and chief financial officer may prescribe.



(e) The president and vice president for budget and finance and chief financial officer of the University of Hawaii:

- (1) Shall review the operations plan for each campus to determine if:
  - (A) It is consistent with the policy decisions of the board of regents and appropriations by the legislature;
  - (B) It reflects proper planning and efficient management methods;  
and
  - (C) Appropriations have been made for the planned purpose and will not be exhausted before the end of the fiscal year;
- (2) Shall approve the operations plan for each campus if they determine that the operations plan meets the requirements of paragraph (1);  
and
- (3) May modify or withhold the planned expenditures of any campus at any time during the appropriations period.

(f) At the end of each fiscal year, the moneys in the University of Hawaii tuition and fees special fund for each campus shall lapse to the credit of program identification number UOH900 (University of Hawaii, system wide support)."

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 2015.

(Became law on July 14, 2015, without the governor's signature, pursuant to Art. III, §16, State Constitution.)

## ACT 237

S.B. NO. 1092

A Bill for an Act Relating to the Repeal of Non-General Funds.

*Be It Enacted by the Legislature of the State of Hawaii:*

### PART I

SECTION 1. The purpose of this Act is to repeal or reclassify various non-general funds in accordance with the Auditor's recommendations in Auditor's Report Nos. 14-05 and 14-13.

### PART II

SECTION 2. The purpose of this part is to repeal the pineapple workers and retirees housing assistance fund.

The legislature finds that the fund is no longer necessary. It has had no balance or activity in recent years.

SECTION 3. Section 201H-85, Hawaii Revised Statutes, is repealed.

### PART III

SECTION 4. The purpose of this part is to repeal the transportation use special fund.

The legislature finds that the transportation use special fund, established by section 261D-1, Hawaii Revised Statutes, has been unused, has held no de-

posits for many years, and should be repealed. According to the department of transportation and state auditor, this fund has outlived its purpose.

SECTION 5. Section 36-30, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

- “(a) Each special fund, except the:
- ~~[(1)]~~ ~~Transportation use special fund established by section 261D-1;~~
  - ~~(2)~~ (1) Special out-of-school time instructional program fund under section 302A-1310;
  - ~~[(3)]~~ (2) School cafeteria special funds of the department of education;
  - ~~[(4)]~~ (3) Special funds of the University of Hawaii;
  - ~~[(5)]~~ (4) State educational facilities improvement special fund;
  - ~~[(6)]~~ (5) Special funds established by section 206E-6;
  - ~~[(7)]~~ (6) Aloha Tower fund created by section 206J-17;
  - ~~[(8)]~~ (7) Funds of the employees’ retirement system created by section 88-109;
  - ~~[(9)]~~ (8) Hawaii hurricane relief fund established under section 431P-2;
  - ~~[(10)]~~ (9) Convention center enterprise special fund established under section 201B-8;
  - ~~[(11)]~~ (10) Hawaii health systems corporation special funds and the subaccounts of its regional system boards;
  - ~~[(12)]~~ (11) Tourism special fund established under section 201B-11;
  - ~~[(13)]~~ (12) Universal service fund established under section 269-42;
  - ~~[(14)]~~ (13) Emergency and budget reserve fund under section 328L-3;
  - ~~[(15)]~~ (14) Public schools special fees and charges fund under section 302A-1130;
  - ~~[(16)]~~ (15) Sport fish special fund under section 187A-9.5;
  - ~~[(17)]~~ (16) Center for nursing special fund under section 304A-2163;
  - ~~[(18)]~~ (17) Passenger facility charge special fund established by section 261-5.5;
  - ~~[(19)]~~ (18) Court interpreting services revolving fund under section 607-1.5;
  - ~~[(20)]~~ (19) Hawaii cancer research special fund;
  - ~~[(21)]~~ (20) Community health centers special fund;
  - ~~[(22)]~~ (21) Emergency medical services special fund;
  - ~~[(23)]~~ (22) Rental motor vehicle customer facility charge special fund established under section 261-5.6;
  - ~~[(24)]~~ (23) Shared services technology special fund under section 27-43;
  - ~~[(25)]~~ (24) Nursing facility sustainability program special fund established pursuant to Act 156, Session Laws of Hawaii 2012;
  - ~~[(26)]~~ (25) Automated victim information and notification system special fund established under section 353-136; and
  - ~~[(27)]~~ (26) Hospital sustainability program special fund under Act 217, Session Laws of Hawaii 2012, as amended by Act 141, Session Laws of Hawaii 2013,

shall be responsible for its pro rata share of the administrative expenses incurred by the department responsible for the operations supported by the special fund concerned.”

SECTION 6. Section 261-5, Hawaii Revised Statutes, is amended to read as follows:

“§261-5 Disposition of airport revenue fund. (a) Except for:

- ~~[(1) That portion of the payments received by the department under a contract entered into as authorized by section 261-7 and deposited in the transportation use special fund pursuant to section 261D-1;~~
- ~~(2) (1) All proceeds from the passenger facility charge and deposited in the passenger facility charge special fund; and~~
- ~~[(3) (2) All proceeds from the rental motor vehicle customer facility charge and deposited in the rental motor vehicle customer facility charge special fund,~~

all moneys received by the department from rents, fees, and other charges collected pursuant to this chapter, as well as all aviation fuel taxes paid pursuant to section 243-4(a)(2), shall be paid into the airport revenue fund created by section 248-8.

All moneys paid into the airport revenue fund shall be appropriated, applied, or expended by the department for any purpose within the jurisdiction, powers, duties, and functions of the department related to the statewide system of airports, including, without limitation, the costs of operation, maintenance, and repair of the statewide system of airports and reserves therefor, and acquisitions (including real property and interests therein), constructions, additions, expansions, improvements, renewals, replacements, reconstruction, engineering, investigation, and planning for the statewide system of airports, all or any of which in the judgment of the department are necessary to the performance of its duties or functions. The department shall generate sufficient revenues from its airport properties to meet all of the expenditures of the statewide system of airports and to comply with section 39-61; provided that as long as sufficient revenues are generated to meet such expenditures, the director of transportation may, in the director's discretion, grant a rebate of the aviation fuel taxes paid into the airport revenue fund during a fiscal year pursuant to sections 243-4(a)(2) and 248-8 to any person who has paid airport use charges or landing fees during such fiscal year. Such rebate may be granted during the next succeeding fiscal year but shall not exceed one-half cent per gallon per person, and shall be computed on the total number of gallons for which the tax was paid by such person, for such fiscal year.

(b) At any time the director of transportation may transfer from the airport revenue fund all or any portion of the moneys received by the department paid under a contract entered into as authorized by section 261-7 on account of the display, sale and delivery of in-bond merchandise displayed or sold at locations in the State other than on airport properties, as permitted under federal law without causing a violation of federal grant agreements, which the director of transportation shall determine, pursuant to rules promulgated pursuant to chapter 91, to be in excess of one hundred fifty per cent of the requirements of the airport revenue fund for the ensuing twelve months.

(c) All expenditures by the department shall be on vouchers duly approved by the director of transportation or such other officer as may be designated by the director.

~~[(d) Notwithstanding the provisions contained in any contract authorized by section 261-7 in effect on June 13, 1989, from and after June 13, 1989, to and including June 30, 1990, all payments made under such contract allocable to the display and sale of in-bond merchandise at locations in the State other than on airport properties shall be credited to the transportation use special fund established by section 261D-1 in the airport revenue fund established by section 248-8, but shall not be appropriated, applied, or expended prior to July 1, 1990, except for purposes provided under this section.]~~

SECTION 7. Section 261D-1, Hawaii Revised Statutes, is repealed.

SECTION 8. Section 261D-3, Hawaii Revised Statutes, is repealed.

SECTION 9. Section 261D-4, Hawaii Revised Statutes, is repealed.

#### PART IV

SECTION 10. The purpose of this part is to rename and reclassify the tourism emergency trust fund as a special fund.

The legislature finds that the fund functions more like a special fund and should be classified as a special fund.

SECTION 11. Section 201B-10, Hawaii Revised Statutes, is amended to read as follows:

**“~~[[§201B-10]]~~ Tourism emergency ~~[trust]~~ special fund.** (a) There is established outside the state treasury a tourism emergency ~~[trust]~~ special fund to be administered by the board ~~[as trustee]~~, into which shall be deposited the revenues prescribed by section 237D-6.5(b). All investment earnings from moneys in the ~~[trust]~~ special fund shall be credited to the tourism special fund~~[-]~~ established pursuant to section 201B-11.

(b) Moneys in the ~~[trust]~~ special fund shall be used exclusively to provide for the development and implementation of emergency measures to respond to any tourism emergency pursuant to section 201B-9, including providing emergency assistance to tourists during the tourism emergency.

(c) Use of the ~~[trust]~~ special fund, consistent with subsection (b), shall be provided for in articles, bylaws, resolutions, or other instruments executed by the board as ~~[trustee]~~ administrator for the ~~[trust]~~ special fund.”

SECTION 12. Section 237D-6.5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Revenues collected under this chapter shall be distributed as follows, with the excess revenues to be deposited into the general fund:

- (1) \$26,500,000 shall be allocated to the convention center enterprise special fund established under section 201B-8;
- (2) \$82,000,000 shall be allocated to the tourism special fund established under section 201B-11; provided that:
  - (A) Beginning on July 1, 2012, and ending on June 30, 2015, \$2,000,000 shall be expended from the tourism special fund for development and implementation of initiatives to take advantage of expanded visa programs and increased travel opportunities for international visitors to Hawaii;
  - (B) Of the \$82,000,000 allocated:
    - (i) \$1,000,000 shall be allocated for the operation of a Hawaiian center and the museum of Hawaiian music and dance at the Hawaii convention center; and
    - (ii) 0.5 per cent of the \$82,000,000 shall be transferred to a sub-account in the tourism special fund to provide funding for a safety and security budget, in accordance with the Hawaii tourism strategic plan 2005-2015; and
  - (C) Of the revenues remaining in the tourism special fund after revenues have been deposited as provided in this paragraph and except for any sum authorized by the legislature for expenditure from revenues subject to this paragraph, beginning July 1, 2007, funds shall be deposited into the tourism emergency

- [trust] special fund, established in section 201B-10, in a manner sufficient to maintain a fund balance of \$5,000,000 in the tourism emergency [trust] special fund;
- (3) \$103,000,000 for fiscal year 2014-2015, \$103,000,000 for fiscal year 2015-2016, and \$93,000,000 for each fiscal year thereafter shall be allocated as follows: Kauai county shall receive 14.5 per cent, Hawaii county shall receive 18.6 per cent, city and county of Honolulu shall receive 44.1 per cent, and Maui county shall receive 22.8 per cent; provided that commencing with fiscal year 2018-2019, a sum that represents the difference between a county public employer's annual required contribution for the separate trust fund established under section 87A-42 and the amount of the county public employer's contributions into that trust fund shall be retained by the state director of finance and deposited to the credit of the county public employer's annual required contribution into that trust fund in each fiscal year, as provided in section 87A-42, if the respective county fails to remit the total amount of the county's required annual contributions, as required under section 87A-43;
  - (4) \$3,000,000 shall be allocated to the Turtle Bay conservation easement special fund established under section 201B-8.6 for the payment of debt service on revenue bonds, the proceeds of which were used to acquire the conservation easement in Turtle Bay, Oahu, until the bonds are fully amortized; and
  - (5) Of the excess revenues deposited into the general fund pursuant to this subsection, \$3,000,000 shall be allocated subject to the mutual agreement of the board of land and natural resources and the board of directors of the Hawaii tourism authority in accordance with the Hawaii tourism authority strategic plan for:
    - (A) The protection, preservation, and enhancement of natural resources important to the visitor industry;
    - (B) Planning, construction, and repair of facilities; and
    - (C) Operation and maintenance costs of public lands connected with enhancing the visitor experience.

All transient accommodations taxes shall be paid into the state treasury each month within ten days after collection and shall be kept by the state director of finance in special accounts for distribution as provided in this subsection.

As used in this subsection, "fiscal year" means the twelve-month period beginning on July 1 of a calendar year and ending on June 30 of the following calendar year."

## PART V

SECTION 13. The purpose of this part is to reclassify the various housing loan special funds established pursuant to section 201H-80, Hawaii Revised Statutes, as revolving funds.

The legislature finds that each of these funds functions as, and meets the criteria for, a revolving fund and should be reclassified as a revolving fund.

SECTION 14. Section 36-27, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Except as provided in this section, and notwithstanding any other law to the contrary, from time to time, the director of finance, for the purpose of defraying the prorated estimate of central service expenses of government in relation to all special funds, except the:

- (1) Special out-of-school time instructional program fund under section 302A-1310;
- (2) School cafeteria special funds of the department of education;
- (3) Special funds of the University of Hawaii;
- (4) State educational facilities improvement special fund;
- (5) Convention center enterprise special fund under section 201B-8;
- (6) Special funds established by section 206E-6;
- ~~[(7)]~~ ~~Housing loan program revenue bond special fund;~~
- ~~[(8)]~~ ~~Housing project bond special fund;~~
- ~~[(9)]~~ (7) Aloha Tower fund created by section 206J-17;
- ~~[(10)]~~ (8) Funds of the employees' retirement system created by section 88-109;
- ~~[(11)]~~ (9) Hawaii hurricane relief fund established under chapter 431P;
- ~~[(12)]~~ (10) Hawaii health systems corporation special funds and the subaccounts of its regional system boards;
- ~~[(13)]~~ (11) Tourism special fund established under section 201B-11;
- ~~[(14)]~~ (12) Universal service fund established under section 269-42;
- ~~[(15)]~~ (13) Emergency and budget reserve fund under section 328L-3;
- ~~[(16)]~~ (14) Public schools special fees and charges fund under section 302A-1130;
- ~~[(17)]~~ (15) Sport fish special fund under section 187A-9.5;
- ~~[(18)]~~ (16) Glass advance disposal fee established by section 342G-82;
- ~~[(19)]~~ (17) Center for nursing special fund under section 304A-2163;
- ~~[(20)]~~ (18) Passenger facility charge special fund established by section 261-5.5;
- ~~[(21)]~~ (19) Court interpreting services revolving fund under section 607-1.5;
- ~~[(22)]~~ (20) Hawaii cancer research special fund;
- ~~[(23)]~~ (21) Community health centers special fund;
- ~~[(24)]~~ (22) Emergency medical services special fund;
- ~~[(25)]~~ (23) Rental motor vehicle customer facility charge special fund established under section 261-5.6;
- ~~[(26)]~~ (24) Shared services technology special fund under section 27-43;
- ~~[(27)]~~ (25) Automated victim information and notification system special fund established under section 353-136;
- ~~[(28)]~~ (26) Deposit beverage container deposit special fund under section 342G-104;
- ~~[(29)]~~ (27) Hospital sustainability program special fund under Act 217, Session Laws of Hawaii 2012, as amended by Act 141, Session Laws of Hawaii 2013;
- ~~[(30)]~~ (28) Nursing facility sustainability program special fund under Act 156, Session Laws of Hawaii 2012;
- ~~[(31)]~~ (29) Hawaii 3R's school improvement fund~~]]~~ under section 302A-1502.4; and
- ~~[(32)]~~ (30) After-school plus program revolving fund under section 302A-1149.5,

shall deduct five per cent of all receipts of all special funds, which deduction shall be transferred to the general fund of the State and become general realizations of the State. All officers of the State and other persons having power to allocate or disburse any special funds shall cooperate with the director in effecting these transfers. To determine the proper revenue base upon which the central service assessment is to be calculated, the director shall adopt rules pursuant to chapter 91 for the purpose of suspending or limiting the application of the central service assessment of any fund. No later than twenty days prior to the convening of each regular session of the legislature, the director shall report all central service assessments made during the preceding fiscal year."

SECTION 15. Section 201H-75, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) The trustee shall also be authorized by the corporation to hold and administer any housing project bond ~~[special]~~ revolving funds and housing loan program revenue bond ~~[special]~~ revolving funds established pursuant to section 201H-80. The trustee may receive and receipt for, hold, and administer the revenues derived by the corporation from any housing project or projects or loan program for which the bonds are issued or the projects or loan programs pledged to the payment of the bonds. The trustee shall apply the revenues to the payment of the cost of administering, operating, and maintaining the housing project or projects or loan program; to pay the principal of and the interest on the bonds; to the establishment of reserves; and to other purposes as may be authorized in the proceedings providing for the issuance of the bonds.”

SECTION 16. Section 201H-80, Hawaii Revised Statutes, is amended as follows:

1. By amending its title to read:

“~~[[§201H-80]]~~ **Housing finance revolving fund; bond ~~[special]~~ revolving funds.**”

2. By amending subsections (b) to (d) to read as follows:

“(b) All moneys received and collected by the corporation, not otherwise pledged or obligated nor required by law to be placed in any other special or revolving fund, shall be deposited in the housing finance revolving fund.

(c) A separate ~~[special]~~ revolving fund shall be established for each housing project or system of housing projects or loan program financed from the proceeds of bonds secured under the same trust indenture. Each fund shall be designated “housing project bond ~~[special]~~ revolving fund” or “housing loan program revenue bond ~~[special]~~ revolving fund”, as appropriate, and shall bear any additional designation as the corporation deems appropriate to properly identify the fund.

(d) Notwithstanding any other law to the contrary, all revenues, income, and receipts derived from a housing project or system of projects or loan program financed from the proceeds of bonds or pledged to the payment of the principal of and interest and premium on bonds, shall be paid into the housing project bond ~~[special]~~ revolving fund or housing loan program revenue bond ~~[special]~~ revolving fund established for the housing project or system of projects or loan program and applied as provided in the proceedings authorizing the issuance of the bonds.”

SECTION 17. Section 201H-100, Hawaii Revised Statutes, is amended to read as follows:

“~~[[§201H-100]]~~ **Housing loan programs; fees.** The corporation may establish, revise, charge, and collect fees, premiums, and charges as necessary, reasonable, or convenient, for its housing loan programs. The fees, premiums, and charges shall be deposited into the housing loan program revenue bond ~~[special]~~ revolving fund established for the particular housing loan program or part thereof from which the fees, premiums, and charges are derived as determined by the corporation.”

SECTION 18. The housing loan program revenue bond special fund - rental housing system, established in 1987 and administered by the department of business, economic development, and tourism, shall be reclassified as a

revolving fund and renamed the housing loan program revenue bond revolving fund - rental housing system.

SECTION 19. The housing loan program revenue bond fund, established in 1979 and administered by the department of business, economic development, and tourism, and also known as the single family mortgage purchase revenue bond fund, shall be reclassified as a revolving fund.

SECTION 20. The housing project bond special fund - multi family, established in 1980 and administered by the department of business, economic development, and tourism, shall be reclassified as a revolving fund and be renamed the housing project bond revolving fund - multi family.

## PART VI

SECTION 21. The purpose of this part is to reclassify the rental housing trust fund as a revolving fund.

The legislature finds that the fund serves the purpose for which it was created, but does not meet the criteria for a trust fund, and should be reclassified as a revolving fund.

SECTION 22. Section 201H-6, Hawaii Revised Statutes, is amended by amending subsection (f) to read as follows:

“(f) The corporation, through the housing advocacy and information system, shall develop and maintain an affordable housing inventory registry to identify:

- (1) Affordable housing projects developed by the corporation utilizing moneys in the rental housing ~~[trust]~~ revolving fund established pursuant to section 201H-202 or the dwelling unit revolving fund~~;~~ established pursuant to section 201H-191;
- (2) State and federal public housing projects identified by the Hawaii public housing authority;
- (3) United States Department of Housing and Urban Development Region 9 federally supported and privately managed housing projects; and
- (4) State and county lands that may be developed for affordable housing, as defined in section 201H-57(b).”

SECTION 23. Chapter 201H, Hawaii Revised Statutes, is amended by amending the title of part III, subpart J, to read as follows:

### “J. Rental Housing ~~[Trust]~~ Revolving Fund”

SECTION 24. Section 201H-201, Hawaii Revised Statutes, is amended by amending the definition of “fund” to read as follows:

““Fund” means the rental housing ~~[trust]~~ revolving fund established ~~[in this subpart.]~~ pursuant to section 201H-202.”

SECTION 25. Section 201H-202, Hawaii Revised Statutes, is amended by amending its title and subsection (a) to read as follows:

“§201H-202 **Rental housing ~~[trust]~~ revolving fund.** (a) There is established the rental housing ~~[trust]~~ revolving fund to be administered by the corporation.”



SECTION 26. Section 247-7, Hawaii Revised Statutes, is amended to read as follows:

“§247-7 **Disposition of taxes.** All taxes collected under this chapter shall be paid into the state treasury to the credit of the general fund of the State, to be used and expended for the purposes for which the general fund was created and exists by law; provided that of the taxes collected each fiscal year:

- (1) Ten per cent shall be paid into the land conservation fund established pursuant to section 173A-5;
- (2) Twenty-five per cent from July 1, 2009, until June 30, 2012; thirty per cent from July 1, 2012, until June 30, 2014; and fifty per cent in each fiscal year thereafter shall be paid into the rental housing ~~[trust]~~ revolving fund established by section 201H-202; and
- (3) Twenty per cent from July 1, 2009, until June 30, 2012, and twenty-five per cent in each fiscal year thereafter shall be paid into the natural area reserve fund established by section 195-9; provided that the funds paid into the natural area reserve fund shall be annually disbursed by the department of land and natural resources in the following priority:
  - (A) To natural area partnership and forest stewardship programs after joint consultation with the forest stewardship committee and the natural area reserves system commission;
  - (B) Projects undertaken in accordance with watershed management plans pursuant to section 171-58 or watershed management plans negotiated with private landowners, and management of the natural area reserves system pursuant to section 195-3; and
  - (C) The youth conservation corps established under chapter 193.”

#### PART VII

SECTION 27. The purpose of this part is to repeal the public facility revenue bond special fund.

The legislature finds that the fund does not meet the purpose for which it was created and does not meet the criteria for a special fund. Accordingly, since the fund is an integral part of chapter 206E, part IV, the legislature finds that the entire part should be repealed.

SECTION 28. Chapter 206E, part IV, Hawaii Revised Statutes, is repealed.

#### PART VIII

SECTION 29. The purpose of this part is to repeal the capital formation revolving fund.

The legislature finds that the fund does not serve the purpose for which it was created, does not meet the criteria for a revolving fund, has never been used, has not supported any investment, and should be repealed. The legislature further finds that chapter 211G, Hawaii Revised Statutes, should be repealed because the fund is inactive.

SECTION 30. Section 211F-4, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The corporation shall have all of the powers necessary to carry out its purposes which shall include but not be limited to the power to:

- (1) Adopt rules pursuant to chapter 91 to carry out the purposes of this chapter;
- (2) Adopt an official seal;
- (3) Sue and be sued, in its own name;
- (4) Finance, conduct, or cooperate in financing or conducting technological, business, financial, or other investigations that are related to or likely to lead to business and economic development by making and entering into contracts and other appropriate arrangements, including the provision of loans, start-up and expansion capital, and other forms of assistance;
- (5) Solicit, study, and assist in the preparation of business plans and proposals;
- (6) Provide advice and technical and marketing assistance, support, and promotion to enterprises in which investments have been made;
- (7) Coordinate the corporation's programs with any education and training program;
- (8) Carry out specialized programs designed to encourage the development of new products, businesses, and markets;
- (9) Prepare, publish, and distribute such technical studies, reports, bulletins, and other materials as it deems appropriate, subject only to the maintenance and respect for confidentiality of client proprietary information;
- (10) Organize, conduct, sponsor, or cooperate in and assist in the conduct of conferences, demonstrations, and studies relating to the stimulation and formation of businesses [~~and to fulfilling the objectives and purposes of chapter 211G~~];
- (11) Provide and pay for such advisory services and technical, managerial, and marketing assistance, support, and promotion as may be necessary or desirable to carry out the purposes of this chapter;
- (12) Acquire, hold, and sell qualified securities;
- (13) Consent, subject to the provisions of any contract with noteholders or bondholders, whenever the corporation deems it necessary or desirable in the fulfillment of the purposes of this chapter, to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, or any other terms, of any contract or agreement of any kind to which the corporation is a party;
- (14) Accept donations, grants, bequests, and devises of money, property, service, or other things of value that may be received from the United States or any agency thereof, any governmental agency, or any public or private institution, person, firm, or corporation, to be held, used, or applied for any or all of the purposes specified in this chapter. Receipt of each donation or grant shall be detailed in the annual report of the corporation. The report shall include the identity of the donor or lender, the nature of the transaction, and any conditions attaching thereto;
- (15) Invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in such investments as may be lawful for fiduciaries in the State;
- (16) Acquire real property, or an interest therein, by purchase or foreclosure, where that acquisition is necessary or appropriate to protect or secure any investment or loan in which the corporation has an inter-

- est; sell, transfer, and convey the property to a buyer and if the sale, transfer, or conveyance cannot be effected with reasonable promptness or at a reasonable price, to lease the property to a tenant;
- (17) Acquire, own, hold, dispose of, and encumber personal property of any nature, or any interest therein;
  - (18) Enter into agreements or other transactions with any federal, state, or county agency;
  - (19) Make contracts and execute all instruments necessary or convenient for the carrying on of its business;
  - (20) Appear in its own behalf before state, county, or federal agencies;
  - (21) Procure insurance as may be necessary;
  - (22) Appoint officers, employees, consultants, agents, and advisors who shall not be subject to chapter 76, and prescribe their duties and fix compensation within the limitations provided by law;
  - (23) Appoint advisory committees as deemed necessary; and
  - (24) Exercise any other powers of a corporation organized under the laws of the State.”

SECTION 31. Chapter 211G, Hawaii Revised Statutes, is repealed.

#### PART IX

SECTION 32. The purpose of this part is to repeal the statewide geospatial information and data integration special fund.

The legislature finds that the fund does not serve the purpose for which it was created and should be repealed.

SECTION 33. Section 225M-6, Hawaii Revised Statutes, is repealed.

SECTION 34. Section 225M-7, Hawaii Revised Statutes, is repealed.

#### PART X

SECTION 35. The purpose of this part is to repeal the fee simple residential revolving fund.

The legislature finds that the fund no longer serves the purpose for which it was created, does not meet the criteria for a revolving fund, and should be repealed.

SECTION 36. Section 201H-211, Hawaii Revised Statutes, is amended to read as follows:

**“§201H-211 Expenditures of revolving funds under the corporation exempt from appropriation and allotment.** Except as to administrative expenditures, and except as otherwise provided by law, expenditures from the revolving funds administered by the corporation under subparts I and J of part III, relating to financing programs, or [sections] section 201H-80[;] or 201H-123[; or 516-44] may be made by the corporation without appropriation or allotment by the legislature; provided that no expenditure shall be made from and no obligation shall be incurred against any revolving fund in excess of the amount standing to the credit of the fund or for any purpose for which the fund may not lawfully be expended. Nothing in sections 37-31 to 37-41 shall require the proceeds of the revolving funds identified in subparts I and J of part III, or [sections] section 201H-80[;] or 201H-123[; or 516-44] to be reappropriated annually.”

SECTION 37. Section 516-5, Hawaii Revised Statutes, is amended to read as follows:

**“§516-5 Penalty.** Any person who violates this chapter shall be fined not more than \$5,000 nor less than \$1,000 or imprisoned not more than one year, or both. ~~[All fines collected shall be deposited in the fee simple residential revolving fund created by this chapter.]”~~

SECTION 38. Section 516-45, Hawaii Revised Statutes, is amended to read as follows:

**“§516-45 General obligation bonds.** The director of finance may, from time to time, issue general obligation bonds in such amounts as may be authorized by the legislature, for the purpose of acquisition by the Hawaii housing finance and development corporation of residential houselots within development tracts pursuant to chapter 516, part II or for the acquisition of suitable properties to exchange pursuant to section 516-24.5 or for the acquisition by the department of land and natural resources under section 171-50.1 of suitable properties for exchange pursuant to section 171-50.2 to effectuate the purpose of this chapter. ~~[The principal and interest of general obligation bonds issued pursuant to this section shall be reimbursed to the general fund from the fee simple residential revolving fund as provided in section 516-44.]~~ Pending the receipt of funds from the issuance and sale of general obligation bonds, amounts required within the limits of legislative authorization may be advanced to the Hawaii housing finance and development corporation from the general fund of the State. Upon the receipt of the bond funds, the general fund shall be reimbursed the amount advanced.”

SECTION 39. Section 516-44, Hawaii Revised Statutes, is repealed.

#### PART XI

SECTION 40. The following funds are abolished:

- (1) The Amtrak trust account established in 1998 and administered by the department of transportation;
- (2) The Hurricane Iniki insurance proceeds special fund administratively established in 1997 and administered by the department of transportation; and
- (3) The deposits-plans and specifications trust account administratively established in 1988 and administered by the department of transportation,

and all unencumbered balances remaining shall be transferred to the general fund.

SECTION 41. On July 1, 2015, all unencumbered balances remaining in the funds repealed by this Act shall lapse to the credit of the general fund.

SECTION 42. All balances in the funds renamed and reclassified pursuant to this Act shall remain in their respective funds as if no renaming and reclassification had occurred.

#### PART XII

SECTION 43. Statutory material to be repealed is bracketed and stricken.<sup>1</sup> New statutory material is underscored.

SECTION 44. This Act shall take effect on July 1, 2015; provided that sections 5 and 14 of this Act shall take effect on June 29, 2015; provided further

that the amendments made in sections 5 and 14 shall not be repealed when sections 36-27 and 36-30, Hawaii Revised Statutes, are reenacted on:

- (A) June 30, 2015, pursuant to section 34 of Act 79, Session Laws of Hawaii 2009; and
- (B) December 31, 2015, pursuant to section 7 of Act 124, Session Laws of Hawaii 2014.

(Became law on July 14, 2015, without the governor's signature, pursuant to Art. III, §16, State Constitution.)

**Note**

- 1. Edited pursuant to HRS §23G-16.5.

**ACT 238**

S.B. NO. 1297

A Bill for an Act Relating to Disposition of Tax Revenues.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to address taxes by setting maximum amounts to be distributed to various non-general funds pursuant to the cigarette tax and tobacco tax law. The tax revenues remaining after distribution shall continue to be deposited into the general fund.

By establishing maximum amounts for distribution, the legislature intends that this Act:

- (1) Make forecasts of general fund revenues more reliable;
- (2) Increase legislative oversight of the agencies and programs supported by the non-general funds; and
- (3) Subject those agencies and programs to competition for limited public funds if the agencies or programs want more than the amount automatically distributed to their non-general funds.

The legislature finds that this Act promotes budgetary planning and transparency.

The legislature further finds that the transient accommodations tax revenues are distributed among the convention center, Hawaii tourism authority, and counties by dollar amounts. That distribution method serves as the model for this Act.

SECTION 2. Section 245-15, Hawaii Revised Statutes, is amended to read as follows:

**“§245-15 Disposition of revenues.** All moneys collected pursuant to this chapter shall be paid into the state treasury as state realizations to be kept and accounted for as provided by law; provided that, of the moneys collected under the tax imposed pursuant to:

- (1) Section 245-3(a)(5), after September 30, 2006, and prior to October 1, 2007, 1.0 cent per cigarette shall be deposited to the credit of the Hawaii cancer research special fund, established pursuant to section 304A-2168, for research and operating expenses and for capital expenditures;
- (2) Section 245-3(a)(6), after September 30, 2007, and prior to October 1, 2008:

- (A) 1.5 cents per cigarette shall be deposited to the credit of the Hawaii cancer research special fund, established pursuant to section 304A-2168, for research and operating expenses and for capital expenditures;
  - (B) 0.25 cents per cigarette shall be deposited to the credit of the trauma system special fund established pursuant to section 321-22.5; and
  - (C) 0.25 cents per cigarette shall be deposited to the credit of the emergency medical services special fund established pursuant to section 321-234;
- (3) Section 245-3(a)(7), after September 30, 2008, and prior to July 1, 2009:
- (A) 2.0 cents per cigarette shall be deposited to the credit of the Hawaii cancer research special fund, established pursuant to section 304A-2168, for research and operating expenses and for capital expenditures;
  - (B) 0.5 cents per cigarette shall be deposited to the credit of the trauma system special fund established pursuant to section 321-22.5;
  - (C) 0.25 cents per cigarette shall be deposited to the credit of the community health centers special fund established pursuant to section 321-1.65; and
  - (D) 0.25 cents per cigarette shall be deposited to the credit of the emergency medical services special fund established pursuant to section 321-234;
- (4) Section 245-3(a)(8), after June 30, 2009, and prior to July 1, 2013:
- (A) 2.0 cents per cigarette shall be deposited to the credit of the Hawaii cancer research special fund, established pursuant to section 304A-2168, for research and operating expenses and for capital expenditures;
  - (B) 0.75 cents per cigarette shall be deposited to the credit of the trauma system special fund established pursuant to section 321-22.5;
  - (C) 0.75 cents per cigarette shall be deposited to the credit of the community health centers special fund established pursuant to section 321-1.65; and
  - (D) 0.5 cents per cigarette shall be deposited to the credit of the emergency medical services special fund established pursuant to section 321-234; ~~[and]~~
- (5) Section 245-3(a)(11), after June 30, 2013, and ~~[thereafter:]~~ prior to July 1, 2015:
- (A) 2.0 cents per cigarette shall be deposited to the credit of the Hawaii cancer research special fund, established pursuant to section 304A-2168, for research and operating expenses and for capital expenditures;
  - (B) 1.5 cents per cigarette shall be deposited to the credit of the trauma system special fund established pursuant to section 321-22.5;
  - (C) 1.25 cents per cigarette shall be deposited to the credit of the community health centers special fund established pursuant to section 321-1.65; and
  - (D) 1.25 cents per cigarette shall be deposited to the credit of the emergency medical services special fund established pursuant to section 321-234~~[.]~~; and

- (6) Section 245-3(a)(11), after June 30, 2015, and thereafter:
- (A) 2.0 cents per cigarette shall be deposited to the credit of the Hawaii cancer research special fund, established pursuant to section 304A-2168, for research and operating expenses and for capital expenditures;
  - (B) 1.125 cents per cigarette, but not more than \$7,400,000 in a fiscal year, shall be deposited to the credit of the trauma system special fund established pursuant to section 321-22.5;
  - (C) 1.25 cents per cigarette, but not more than \$8,800,000 in a fiscal year, shall be deposited to the credit of the community health centers special fund established pursuant to section 321-1.65; and
  - (D) 1.25 cents per cigarette, but not more than \$8,800,000 in a fiscal year, shall be deposited to the credit of the emergency medical services special fund established pursuant to section 321-234.

The department shall provide an annual accounting of these dispositions to the legislature.”

SECTION 3. Section 321-22.5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) There is established within the state treasury a special fund to be known as the trauma system special fund to be administered and expended by the department of health. The fund shall consist of:

- (1) Surcharges collected pursuant to sections 291-15, 291C-2, and 291E-7;
- (2) Cigarette tax revenues designated under section 245-15;
- (3) Federal funds granted by Congress or executive order for the purpose of this chapter; provided that the acceptance and use of federal funds shall not commit state funds for services and shall not place an obligation upon the legislature to continue the purpose for which the federal funds are made available;
- (4) Funds appropriated by the legislature for this purpose, including grants-in-aid;
- (5) Grants, donations, and contributions from private or public sources for the purposes of the trauma system special fund; and
- (6) Interest on and other income from the fund, which shall be separately accounted for.

~~[Moneys in the trauma system special fund shall not lapse at the end of the fiscal year.]~~ The unexpended and unencumbered moneys in the fund in excess of \$7,400,000 on June 30 of each fiscal year shall be transferred by the director of finance into and become a realization of the general fund on that date. Expenditures from the trauma system special fund shall be exempt from chapters 103D and 103F.”

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2015.

(Became law on July 14, 2015, without the governor’s signature, pursuant to Art. III, §16, State Constitution.)

## A Bill for an Act Relating to Real Estate Investment Trusts.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. (a) The department of business, economic development, and tourism, with the assistance of the department of taxation, shall study the impact of real estate investment trusts in Hawaii and the possible effect of repealing the dividends paid deduction for real estate investment trusts. The study shall address the following:

- (1) The total number of real estate investment trusts that operate in Hawaii;
- (2) Of that total in paragraph (1), the number that are Hawaii-based;
- (3) The number of Hawaii taxpayers who are investors in real estate investment trusts that operate in Hawaii;
- (4) The number of Hawaii taxpayers who are investors in Hawaii-based real estate investment trusts that operate in Hawaii;
- (5) A breakdown of Hawaii taxpayers who are investors in Hawaii-based real estate investment trusts that operate in Hawaii, by filing status and income;
- (6) The direct and indirect impacts of real estate investment trusts on the Hawaii economy, especially in real estate development and operation;
- (7) A comprehensive examination of captive real estate investment trusts for companies operating in Hawaii;
- (8) An examination of the argument that real estate investment trusts provide opportunities for small investors to pool funds with others and invest in real estate developments, similar to investments through mutual funds invested in company stocks;
- (9) An examination of the possible transfer pricing if the dividend paid income tax deduction for real estate investment trusts is repealed;
- (10) An examination of the equity and efficiency of the dividends paid income tax deduction for real estate investment trusts;
- (11) The projected tax revenue impact to the State if the dividends paid income tax deduction for real estate investment trusts is repealed;
- (12) The impact on the real estate development market and capacity if the dividends paid income tax deduction for real estate investment trusts is repealed; and
- (13) The impact on the economy of the State if the dividends paid income tax deduction for real estate investment trusts is repealed.

(b) The department of business, economic development, and tourism shall submit its findings and recommendations, including any proposed legislation, to the legislature not later than twenty days prior to the convening of the regular session of 2016.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000 or so much thereof as may be necessary for fiscal year 2015-2016 for the study on real estate investment trusts required under section 1 of this Act.

The sum appropriated shall be expended by the department of business, economic development, and tourism for the purposes of this Act.



SECTION 3. This Act shall take effect upon approval; provided that section 2 shall take effect on July 1, 2015.

(Became law on July 14, 2015, without the governor's signature, pursuant to Art. III, §16, State Constitution.)

ACT 240

H.B. NO. 134

A Bill for an Act Relating to Taxation.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to address the county surcharge on state general excise and use taxes.

More specifically, this Act:

- (1) Authorizes the extension of the surcharge by any county that has adopted an ordinance to establish the surcharge prior to the effective date of this Act;
- (2) Authorizes other counties to adopt ordinances establishing the surcharge;
- (3) For counties with a population greater than five hundred thousand:
  - (A) Limits the use of surcharge revenues to "capital costs"; and
  - (B) Expands the definition of "capital costs"; and
- (4) Amends the definition of "public lands" to include the air rights over any portion of state land upon which a county mass transit project is developed after July 11, 2005.

SECTION 2. This Act shall not affect the validity or effect of any surcharge on state tax adopted pursuant to Act 247, Session Laws of Hawaii 2005, prior to the effective date of this Act.

SECTION 3. Section 46-16.8, Hawaii Revised Statutes, is amended to read as follows:

**“~~§46-16.8~~ County surcharge on state tax.** (a) Each county may establish a surcharge on state tax at the rates enumerated in sections 237-8.6 and 238-2.6. A county electing to establish this surcharge shall do so by ordinance; provided that:

- (1) No ordinance shall be adopted until the county has conducted a public hearing on the proposed ordinance;
- (2) The ordinance shall be adopted prior to December 31, 2005; and
- (3) No county surcharge on state tax that may be authorized under this ~~section~~ subsection shall be levied prior to January 1, 2007~~[-], or after December 31, 2022, unless extended pursuant to subsection (b).~~

Notice of the public hearing required under paragraph (1) shall be published in a newspaper of general circulation within the county at least twice within a period of thirty days immediately preceding the date of the hearing.

~~(b)~~ A county electing to exercise the authority granted under this ~~section~~ subsection shall notify the director of taxation within ten days after the county has adopted a surcharge on state tax ordinance and, beginning no earlier than January 1, 2007, the director of taxation shall levy, assess, collect, and otherwise administer the county surcharge on state tax.

(b) Each county that has established a surcharge on state tax prior to the effective date of this Act under authority of subsection (a) may extend the

surcharge from January 1, 2023, until December 31, 2027, at the same rates. A county electing to extend this surcharge shall do so by ordinance; provided that:

- (1) No ordinance shall be adopted until the county has conducted a public hearing on the proposed ordinance; and
- (2) The ordinance shall be adopted prior to July 1, 2016, but no earlier than July 1, 2015.

A county electing to exercise the authority granted under this subsection shall notify the director of taxation within ten days after the county has adopted an ordinance extending the surcharge on state tax. Beginning on January 1, 2023, the director of taxation shall levy, assess, collect, and otherwise administer the extended surcharge on state tax.

(c) Each county that has not established a surcharge on state tax prior to the effective date of this Act may establish the surcharge at the rates enumerated in sections 237-8.6 and 238-2.6. A county electing to establish this surcharge shall do so by ordinance; provided that:

- (1) No ordinance shall be adopted until the county has conducted a public hearing on the proposed ordinance;
- (2) The ordinance shall be adopted prior to July 1, 2016, but no earlier than July 1, 2015; and
- (3) No county surcharge on state tax that may be authorized under this subsection shall be levied prior to January 1, 2018, or after December 31, 2027.

A county electing to exercise the authority granted under this subsection shall notify the director of taxation within ten days after the county has adopted a surcharge on state tax ordinance. Beginning on January 1, 2018, the director of taxation shall levy, assess, collect, and otherwise administer the county surcharge on state tax.

(d) Notice of the public hearing required under subsection (b) or (c) before adoption of an ordinance establishing or extending the surcharge on state tax shall be published in a newspaper of general circulation within the county at least twice within a period of thirty days immediately preceding the date of the hearing.

~~(e)~~ (e) Each county with a population greater than five hundred thousand that adopts or extends a county surcharge on state tax ordinance pursuant to subsection (a) or (b) shall use the surcharges received from the State for:

- ~~(1) [Operating or capital]~~ Capital costs of a locally preferred alternative for a mass transit project; and
- (2) Expenses in complying with the Americans with Disabilities Act of 1990 with respect to paragraph (1).

The county surcharge on state tax shall not be used to build or repair public roads or highways, bicycle paths, or support public transportation systems already in existence prior to July 12, 2005.

~~(d)~~ (f) Each county with a population equal to or less than five hundred thousand that adopts a county surcharge on state tax ordinance pursuant to ~~[subsection (a)]~~ this section shall use the surcharges received from the State for:

- (1) Operating or capital costs of public transportation within each county for public transportation systems, including public roadways or highways, public buses, trains, ferries, pedestrian paths or sidewalks, or bicycle paths; and
- (2) Expenses in complying with the Americans with Disabilities Act of 1990 with respect to paragraph (1).

~~(e)~~ (g) As used in this section, "capital costs" means nonrecurring costs required to construct a transit facility or system, including debt service, costs of

land acquisition and development, acquiring of rights-of-way, planning, design, and construction, and including equipping and furnishing the facility or system. For a county with a population greater than five hundred thousand, capital costs also include non-recurring personal services and other overhead costs that are not intended to continue after completion of construction of the minimum operable segment of the locally preferred alternative for a mass transit project.

SECTION 4. Section 171-2, Hawaii Revised Statutes, is amended to read as follows:

**“§171-2 Definition of public lands.** “Public lands” means all lands or interest therein in the State classed as government or crown lands previous to August 15, 1895, or acquired or reserved by the government upon or subsequent to that date by purchase, exchange, escheat, or the exercise of the right of eminent domain, or in any other manner; including lands accreted after May 20, 2003, and not otherwise awarded, submerged lands, and lands beneath tidal waters that are suitable for reclamation, together with reclaimed lands that have been given the status of public lands under this chapter, except:

- (1) Lands designated in section 203 of the Hawaiian Homes Commission Act, 1920, as amended;
- (2) Lands set aside pursuant to law for the use of the United States;
- (3) Lands being used for roads and streets;
- (4) Lands to which the United States relinquished the absolute fee and ownership under section 91 of the Hawaiian Organic Act prior to the admission of Hawaii as a state of the United States unless subsequently placed under the control of the board of land and natural resources and given the status of public lands in accordance with the state constitution, the Hawaiian Homes Commission Act, 1920, as amended, or other laws;
- (5) Lands to which the University of Hawaii holds title;
- (6) Lands to which the Hawaii housing finance and development corporation in its corporate capacity holds title;
- (7) Lands to which the Hawaii community development authority in its corporate capacity holds title;
- (8) Lands to which the department of agriculture holds title by way of foreclosure, voluntary surrender, or otherwise, to recover moneys loaned or to recover debts otherwise owed the department under chapter 167;
- (9) Lands that are set aside by the governor to the Aloha Tower development corporation; lands leased to the Aloha Tower development corporation by any department or agency of the State; or lands to which the Aloha Tower development corporation holds title in its corporate capacity;
- (10) Lands that are set aside by the governor to the agribusiness development corporation; lands leased to the agribusiness development corporation by any department or agency of the State; or lands to which the agribusiness development corporation in its corporate capacity holds title; and
- (11) Lands to which the high technology development corporation in its corporate capacity holds title[-];

provided that, except as otherwise limited under federal law and except for state land used as an airport as defined in section 262-1, public lands shall include the air rights over any portion of state land upon which a county mass transit project is developed after July 11, 2005.”

SECTION 5. Section 237-8.6, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Each county surcharge on state tax that may be adopted or extended pursuant to section ~~[46-16.8(a)]~~ 46-16.8 shall be levied beginning in the taxable year after the adoption of the relevant county ordinance; provided that no surcharge on state tax may be levied ~~[prior]~~:

(1) Prior to:

(A) January 1, 2007[-], if the county surcharge on state tax was established by an ordinance adopted prior to December 31, 2005; or

(B) January 1, 2018, if the county surcharge on state tax was established by the adoption of an ordinance after June 30, 2015, but prior to July 1, 2016; and

(2) After December 31, 2027.”

SECTION 6. Section 238-2.6, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Each county surcharge on state tax that may be adopted or extended shall be levied beginning in the taxable year after the adoption of the relevant county ordinance; provided that no surcharge on state tax may be levied ~~[prior]~~:

(1) Prior to:

(A) January 1, 2007[-], if the county surcharge on state tax was established by an ordinance adopted prior to December 31, 2005; or

(B) January 1, 2018, if the county surcharge on state tax was established by the adoption of an ordinance after June 30, 2015, but prior to July 1, 2016; and

(2) After December 31, 2027.”

SECTION 7. Act 247, Session Laws of Hawaii 2005, is amended by amending section 9 to read as follows:

“SECTION 9. This Act shall take effect upon its approval; provided that:

(1) If none of the counties of the State adopt an ordinance to levy a county surcharge on state tax by December 31, 2005, this Act shall be repealed and section 437D-8.4, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day prior to the effective date of this Act;

(2) If any county does not adopt an ordinance to levy a county surcharge on state tax by December 31, 2005, it shall be prohibited from adopting such an ordinance pursuant to this Act, unless otherwise authorized by the legislature through a separate legislative act; and

(3) If an ordinance to levy a county surcharge on state tax is adopted by December 31, 2005:

(A) The ordinance shall be repealed on December 31, 2022; provided that the repeal of the ordinance shall not affect the validity or effect of an ordinance to extend a surcharge on state tax adopted pursuant to Act , Session Laws of Hawaii 2015;

(B) This Act shall be repealed on December 31, ~~[2022;]~~ 2027; and

(C) Section 437D-8.4, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day prior to the effective date of this Act[-]; provided that the amendments made to section 437D-8.4, Hawaii Revised Statutes, by Act 226, Session

**ACT 241**

Laws of Hawaii 2008, as amended by Act 11, Session Laws of Hawaii 2009, and Act 110, Session Laws of Hawaii 2014, shall not be repealed.”

SECTION 8. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 9. This Act shall take effect on July 1, 2015.

(Approved July 14, 2015.)

**ACT 241**

H.B. NO. 321

A Bill for an Act Relating to Medical Marijuana.

*Be It Enacted by the Legislature of the State of Hawaii:*

**PART I**

SECTION 1. The legislature finds that Hawaii’s medical use of marijuana law was enacted on June 14, 2000, as Act 28, Session Laws of Hawaii 2000, to provide medical relief for seriously ill individuals in the State. While the current law recognizes the beneficial use of marijuana in treating or alleviating pain or other symptoms associated with certain debilitating illnesses, it is silent on how patients can obtain medical marijuana if they or their caregivers are unable to grow their own supply of medical marijuana. The legislature further finds that many of the State’s nearly thirteen thousand qualifying patients lack the ability to grow their own supply of medical marijuana due to a number of factors, including disability and limited space to grow medical marijuana. As a result, a regulated statewide dispensary system for medical marijuana is urgently needed by qualifying patients in the State.

Accordingly, the purpose of this Act is to establish a regulated statewide dispensary system for medical marijuana to ensure safe and legal access to medical marijuana for qualifying patients.

**PART II**

SECTION 2. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

**“CHAPTER  
MEDICAL MARIJUANA DISPENSARY SYSTEM**

§ -1 **Definitions.** As used in this chapter:

“Department” means the department of health.

“Dispense” or “dispensing” means the act of a licensed dispensary providing marijuana or manufactured marijuana products to a qualifying patient or a primary caregiver for a fee.

“Manufacture” means the preparation, propagation, compounding, conversion, or processing of a substance containing marijuana or its principal psychoactive constituent tetrahydrocannabinol, either directly or indirectly, by a person other than a qualifying patient or primary caregiver for the qualifying patient’s use, by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical

synthesis, and includes any packaging or repackaging of the substance or labeling or relabeling of its container.

“Manufactured marijuana product” means any capsule, lozenge, oil or oil extract, tincture, ointment or skin lotion, or pill that has been manufactured using marijuana.

“Marijuana” shall have the same meaning as in section 329-121.

“Medical marijuana dispensary” or “dispensary” means a person licensed by the State pursuant to this chapter to own, operate, or subcontract up to two production centers and up to two retail dispensing locations.

“Medical marijuana production center” or “production center” means a farm or facility wholly owned, operated, or subcontracted by a person licensed by the State pursuant to this chapter as a medical marijuana dispensary that produces marijuana and manufactured marijuana products solely to supply marijuana and manufactured marijuana products to one or more of the retail dispensing locations of the licensed medical marijuana dispensary.

“Person” means an individual, firm, corporation, partnership, association, or any form of business or legal entity.

“Primary caregiver” shall have the same meaning as in section 329-121.

“Production” or “produce” means the planting, cultivating, growing, or harvesting of marijuana. “Production” includes the manufacture of medical marijuana products pursuant to this chapter.

“Qualifying patient” shall have the same meaning as in section 329-121.

“Retail dispensing location” means an establishment owned, operated, or subcontracted by a medical marijuana dispensary where marijuana and manufactured marijuana are made available for retail sale to qualifying patients or primary caregivers.

**§ -2 Medical marijuana dispensaries; authorized; licensure.** (a) No person shall operate a medical marijuana dispensary unless the person has a license issued by the department pursuant to this chapter.

(b) The director of health shall grant medical marijuana dispensary licenses to allow dispensaries to produce, manufacture, and dispense marijuana and manufactured marijuana products pursuant to this chapter.

(c) Each medical marijuana dispensary license shall allow production, manufacture, and dispensing of marijuana and manufactured marijuana products only in the county for which the license is granted.

(d) The department shall issue eight dispensary licenses statewide; provided that three dispensary licenses shall be issued for the city and county of Honolulu, two dispensary licenses each shall be issued for the county of Hawaii and the county of Maui, and one dispensary license shall be issued for the county of Kauai; provided further that no dispensary license shall be issued for the county of Kalawao.

(e) No person may be granted a dispensary license in more than one county.

(f) Up to two production centers shall be allowed under each dispensary license, provided that each production center shall be limited to no more than three thousand marijuana plants.

(g) A dispensary licensee may establish up to two retail dispensing locations under the licensee’s dispensary license:

(h) Each dispensary licensee may commence dispensing medical marijuana and manufactured marijuana products to qualifying patients or primary caregivers no sooner than July 15, 2016, with approval by the department, in accordance with this chapter.

- (i) Retail dispensing locations shall not be at the same location as the dispensary licensee's production centers.
- (j) Notwithstanding subsection (d), the department shall determine whether, based on the qualifying patient need, additional dispensary licenses shall be offered to qualified applicants in the State after October 1, 2017; provided that the department shall make available not more than one license per five hundred qualifying patients residing in any single county.
- (k) Notwithstanding any other law to the contrary, a dispensary shall not be subject to the prescription requirement of section 329-38 or to the board of pharmacy licensure or regulatory requirements under chapter 461.

**§ -3 Qualifications for licensure.** (a) Each application for a dispensary license shall include both an individual applicant and an applying entity.

(b) The application shall be submitted to the department and shall include supporting documentation to establish the following:

- (1) That the individual applicant:
    - (A) Has been a legal resident of the State for not less than five years preceding the date of application;
    - (B) Is not less than twenty-one years of age; and
    - (C) Has had no felony convictions;
  - (2) That the applying entity:
    - (A) Has been organized under the laws of the State;
    - (B) Has a Hawaii tax identification number;
    - (C) Has a department of commerce and consumer affairs business registration division number and suffix;
    - (D) Has a federal employer identification number;
    - (E) Is not less than fifty-one per cent held by Hawaii legal residents or entities wholly controlled by Hawaii legal residents who have been Hawaii legal residents for not less than five years immediately preceding the date the application was submitted;
    - (F) Has financial resources under its control of not less than \$1,000,000 for each license applied for, plus not less than \$100,000 for each retail dispensing location allowed under the license applied for, in the form of bank statements or escrow accounts, and that the financial resources have been under the control of the applying entity for not less than ninety days immediately preceding the date the application was submitted; and
    - (G) Is composed of principals or members, each of whom has no felony convictions.
- (c) A dispensary license shall not be sold or otherwise transferred from one person to another person.

**§ -4 Medical marijuana dispensaries; license application procedure and verification; fees.** (a) The department shall make a medical marijuana dispensary license application form available to the public on January 11, 2016, commencing at 8:00 a.m., Hawaii-Aleutian Standard Time.

(b) The department shall establish an open application period for each available license, the first of which shall be no later than 8:00 a.m., Hawaii-Aleutian Standard Time, on January 12, 2016, during which an application may be submitted. This submittal period shall be closed on January 29, 2016, at 4:30 p.m. The department shall publish notice of the open application period no less than thirty days prior to the start of the open application period.

(c) A non-refundable application fee of \$5,000 for each license application shall be submitted to the department by certified or cashier's check. Within seven days of approval, a dispensary license fee of \$75,000 for each license approved shall be submitted to the department by certified or cashier's check or the department shall issue a license to the next qualified applicant.

(d) All fees collected pursuant to this section shall be deposited in the medical marijuana registry and regulation special fund pursuant to section 321-30.1.

(e) Immediately upon receipt of each completed application form, the department shall issue a receipt to each applicant that includes the date and time of receipt.

(f) If an applicant submits an application form in which all required information is not complete and valid, the application shall not be accepted by the department and the non-refundable application fee shall be deposited in the medical marijuana registry and regulation special fund established pursuant to section 321-30.1.

(g) The medical marijuana dispensary application form shall request information necessary to verify that applicants meet the required qualifications pursuant to section -3. Applicants shall provide a minimum of the following information:

- (1) Legal name and date of birth of individual applicant;
- (2) Last four digits of individual applicant's social security number;
- (3) Validation code from an eCrim report for the individual applicant generated by the Hawaii criminal justice data center no earlier than December 12, 2015, at 8:00 a.m., Hawaii-Aleutian Standard Time;
- (4) Street address, telephone number, fax number, and email address of the individual applicant;
- (5) A tax clearance certificate issued by the department of taxation dated not more than thirty days prior to the date of the application;
- (6) Name of the applying entity and any other name under which the applying entity does business, if applicable;
- (7) Street address, telephone number, fax number, and email address of the applying entity;
- (8) Date the applying entity was organized under the laws of Hawaii;
- (9) A certified copy of the organizing documents of the applying entity;
- (10) A copy of the applying entity's bylaws;
- (11) Federal employer identification number of the applying entity;
- (12) Hawaii tax identification number of applying entity;
- (13) Department of commerce and consumer affairs business registration number and suffix of the applying entity;
- (14) Name(s) of all owners of the applying entity, in whole or in part, and their percentage of ownership;
- (15) Date when continuous legal residence in Hawaii began for each Hawaii legal resident that owns a percentage of the applying entity;
- (16) Total percentage of the applying entity that is owned by Hawaii legal residents;
- (17) Designation of the county for which the dispensary license applied for and proof that the required minimum financial resources of \$1,200,000 are met;
- (18) Total dollar amount of financial resources under control of the applying entity in the form of bank statements or escrow accounts;
- (19) Date from when financial resources have been continuously controlled by the applying entity; and



- (20) Copies of the entity's bank statements for the twelve months prior to the date of the application.
- (h) The department shall maintain a record of the time and date that all completed application forms were submitted.
- (i) The department shall process and deposit the application fee within four business days of receipt of the completed application form.
- (j) If, for any reason, the application fee is not available for deposit, the application shall be deemed void and the department shall inform the applicant in writing that its application has been rejected.
- (k) The department shall review and verify the information and documentation materials only of applicants whose non-refundable application fee has been processed and deposited.
- (l) The department shall verify that the information submitted in the application is true and valid and meets the requirements established in section -3(b).
- (m) Upon verification of the minimum requirements, the department shall place the verified application into the pool of applicants for further review and selection based on merit by the department.
- (n) A dispensary license may be renewed annually by payment of an annual renewal fee of \$50,000 and subject to verification by the department that the individual licensee and entity licensee continue to meet all licensing requirements from the date the initial licenses were issued.

**§ -5 Medical marijuana dispensaries; selection.** (a) By January 4, 2016, the department shall provide for a selection process and criteria based on merit for verified applicants for medical marijuana dispensary licenses; provided that the selection process, at minimum, includes the criteria of section -7(3).

(b) This selection process shall be utilized by the department to grant medical marijuana dispensary licenses. Licensees selected will be announced by April 15, 2016. A dispensary licensed pursuant to this chapter may begin dispensing not sooner than July 15, 2016, with the approval of the department.

**§ -6 Dispensary operations.** (a) No person shall operate a dispensary, nor engage in the production, manufacture, or sale of marijuana or manufactured marijuana products, unless the person has obtained a license from the department pursuant to this chapter.

(b) No dispensary licensee, its officers, employees, or agents shall provide written certification for the use of medical marijuana or manufactured marijuana products for any person.

(c) No person under the age of twenty-one shall be employed by a dispensary licensee.

(d) Notwithstanding any other law to the contrary, including but not limited to sections 378-2 and 378-2.5, no dispensary shall employ a person convicted of a felony. Employment under this chapter shall be exempt from section 378-2(a)(1), as it relates to arrest and court record discrimination, and section 378-2.5.

(e) Retail dispensing locations shall not be open for retail sales before 8:00 a.m. or after 8:00 p.m., Hawaii-Aleutian Standard Time, Monday through Saturday. Retail dispensing locations shall be closed on Sundays and official state and federal holidays.

(f) All dispensary facilities, including but not limited to production centers and retail dispensing locations, shall be enclosed indoor facilities and shall maintain twenty-four hour security measures, including but not limited to an alarm system, video monitoring and recording on the premises, and exterior

lighting. Production centers shall remain locked at all times. Retail dispensing locations shall remain locked at all times, other than business hours as authorized by subsection (e), and shall only be opened for authorized persons.

(g) In all dispensary facilities, only the licensee, if an individual, the registered employees of the dispensary licensee, and the registered employees of the subcontracted production center or retail dispensing locations shall be permitted to touch or handle any marijuana or manufactured marijuana products, except that a qualifying patient or the primary caregiver of a qualifying patient may receive manufactured marijuana products at a retail dispensing location following completion of a sale.

(h) A dispensary shall provide the department with the address, tax map key number, and a copy of the premises lease, if applicable, of the proposed location of a production center allowed under a license for a county not later than thirty days prior to any medical marijuana or manufactured marijuana products being produced or manufactured at that production center.

(i) A dispensary shall provide the department with the address, tax map key number, and a copy of the premises lease, if applicable, of the proposed location of each retail dispensing location allowed under a license not less than sixty days prior to opening for business.

(j) The department shall establish, maintain, and control a computer software tracking system that shall have real time, twenty-four hour access to the data of all dispensaries relating to:

- (1) The total amount of marijuana in possession of all dispensaries from either seed or immature plant state, including all plants that are derived from cuttings or cloning, until the marijuana, marijuana plants, or manufactured marijuana product is sold or destroyed pursuant to section -7;
- (2) The total amount of manufactured marijuana product inventory, including the equivalent physical weight of marijuana that is used to manufacture manufactured marijuana products, purchased by a qualifying patient and primary caregiver from all retail dispensing locations in the State in any fifteen day period;
- (3) The amount of waste produced by each plant at harvest; and
- (4) The transport of marijuana and manufactured marijuana products between production centers and retail dispensing locations, including tracking identification issued by the tracking system, the identity of the person transporting the marijuana or manufactured marijuana products, and the make, model, and license number of the vehicle being used for the transport.

The procurement of the computer software tracking system established pursuant to this subsection shall be exempt from chapter 103D; provided that: the department shall publicly solicit at least three proposals for the computer software tracking system; and the selection of the computer software tracking system shall be approved by the director of the department and the chief information officer.

(k) A dispensary licensed pursuant to this chapter shall purchase, operate, and maintain a computer software tracking system that shall:

- (1) Interface with the department's computer software tracking system established pursuant to subsection (j);
- (2) Allow each licensed dispensary's production center to submit to the department in real time, by automatic identification and data capture, all marijuana, marijuana plants, and manufactured marijuana product inventory in possession of that dispensary from either seed or immature plant state, including all plants that are derived from

cuttings or cloning, until the marijuana or manufactured marijuana product is sold or destroyed pursuant to section -7; and

- (3) Allow the licensed dispensary's retail dispensing location to submit to the department in real time for the total amount of marijuana and manufactured marijuana product purchased by a qualifying patient and primary caregiver from the dispensary's retail dispensing locations in the State in any fifteen day period; provided that the software tracking system shall impose an automatic stopper in real time, which cannot be overridden, on any further purchases of marijuana or manufactured marijuana products, if the maximum allowable amount of marijuana has already been purchased for the applicable fifteen day period; provided further that additional purchases shall not be permitted until the next applicable period.
  - (l) No free samples of marijuana or manufactured marijuana products shall be provided at any time, and no consumption of marijuana or manufactured marijuana products shall be permitted on any dispensary premises.
  - (m) A dispensary shall not transport marijuana or manufactured marijuana products to another county or another island.
  - (n) A dispensary shall be prohibited from off-premises delivery of marijuana or manufactured marijuana products to qualifying patients or to primary caregivers of qualifying patients.
    - (o) A dispensary shall not:
      - (1) Display marijuana or manufactured marijuana products in windows or in public view; or
      - (2) Post any signage other than a single sign no greater than one thousand six hundred square inches bearing only the business or trade name in text without any pictures or illustrations; provided that if any applicable law or ordinance restricting outdoor signage is more restrictive, that law or ordinance shall govern.
    - (p) No marijuana or manufactured marijuana products shall be transported to, from, or within any federal fort or arsenal, national park or forest, any other federal enclave, or any other property possessed or occupied by the federal government.
    - (q) A dispensary licensed pursuant to this chapter shall be prohibited from providing written certification pursuant to section 329-122 for the use of medical marijuana for any person.

§ -7 **Medical marijuana dispensary rules.** The department shall establish standards with respect to:

- (1) The number of medical marijuana dispensaries that shall be permitted to operate in the State;
- (2) A fee structure for the submission of applications and renewals of licenses to dispensaries; provided that the department shall consider the market conditions in each county in determining the license renewal fee amounts;
- (3) Criteria and procedures for the consideration and selection, based on merit, of applications for licensure of dispensaries; provided that the criteria shall include but not be limited to an applicant's:
  - (A) Ability to operate a business;
  - (B) Financial stability and access to financial resources; provided that applicants for medical marijuana dispensary licenses shall provide documentation that demonstrates control of not less than \$1,000,000 in the form of escrow accounts, letters of cred-

- it, surety bonds, bank statements, lines of credit or the equivalent to begin operating the dispensary;
- (C) Ability to comply with the security requirements developed pursuant to paragraph (6);
  - (D) Capacity to meet the needs of qualifying patients;
  - (E) Ability to comply with criminal background check requirements developed pursuant to paragraph (8); and
  - (F) Ability to comply with inventory controls developed pursuant to paragraph (13);
- (4) Specific requirements regarding annual audits and reports required from each production center and dispensary licensed pursuant to this chapter;
  - (5) Procedures for announced and unannounced inspections by the department or its agents of production centers and dispensaries licensed pursuant to this chapter;
  - (6) Security requirements for the operation of production centers and retail dispensing locations; provided that, at a minimum, the following shall be required:
    - (A) For production centers:
      - (i) Video monitoring and recording of the premises;
      - (ii) Fencing that surrounds the premises and that is sufficient to reasonably deter intruders and prevent anyone outside the premises from viewing any marijuana in any form;
      - (iii) An alarm system; and
      - (iv) Other reasonable security measures to deter or prevent intruders, as deemed necessary by the department;
    - (B) For retail dispensing locations:
      - (i) Presentation of a valid government-issued photo identification and a valid identification as issued by the department pursuant to section 329-123, by a qualifying patient or caregiver, upon entering the premises;
      - (ii) Video monitoring and recording of the premises;
      - (iii) An alarm system;
      - (iv) Exterior lighting; and
      - (v) Other reasonable security measures as deemed necessary by the department;
  - (7) Security requirements for the transportation of marijuana and manufactured marijuana products between production centers and retail dispensing locations;
  - (8) Standards and criminal background checks to ensure the reputable and responsible character and fitness of all license applicants, licensees, employees, subcontractors and their employees, and prospective employees of medical marijuana dispensaries to operate a dispensary; provided that the standards, at a minimum, shall exclude from licensure or employment any person convicted of any felony;
  - (9) The training and certification of operators and employees of production centers and dispensaries;
  - (10) The types of manufactured marijuana products that dispensaries shall be authorized to manufacture and sell pursuant to sections -9 and -10;
  - (11) Laboratory standards related to testing marijuana and manufactured marijuana products for content, contamination, and consistency;

- (12) The quantities of marijuana and manufactured marijuana products that a dispensary may sell or provide to a qualifying patient or primary caregiver; provided that no dispensary shall sell or provide to a qualifying patient or primary caregiver any combination of marijuana and manufactured products that:
  - (A) During a period of fifteen consecutive days, exceeds the equivalent of four ounces of marijuana; or
  - (B) During a period of thirty consecutive days, exceeds the equivalent of eight ounces of marijuana;
- (13) Dispensary and production center inventory controls to prevent the unauthorized diversion of marijuana or manufactured marijuana products or the distribution of marijuana or manufactured marijuana products to qualifying patients or primary caregivers in quantities that exceed limits established by this chapter; provided that the controls, at a minimum, shall include:
  - (A) A computer software tracking system as specified in section -6(j) and (k); and
  - (B) Product packaging standards sufficient to allow law enforcement personnel to reasonably determine the contents of an unopened package;
- (14) Limitation to the size or format of signs placed outside a retail dispensing location or production center; provided that the signage limitations, at a minimum, shall comply with section -6(o)(2) and shall not include the image of a cartoon character or other design intended to appeal to children;
- (15) The disposal or destruction of unwanted or unused marijuana and manufactured marijuana products;
- (16) The enforcement of the following prohibitions against:
  - (A) The sale or provision of marijuana or manufactured marijuana products to unauthorized persons;
  - (B) The sale or provision of marijuana or manufactured marijuana products to qualifying patients or primary caregivers in quantities that exceed limits established by this chapter;
  - (C) Any use or consumption of marijuana or manufactured marijuana products on the premises of a retail dispensing location or production center; and
  - (D) The distribution of marijuana or manufactured marijuana products, for free, on the premises of a retail dispensing location or production center;
- (17) The establishment of a range of penalties for violations of this chapter or rule adopted thereto; and
- (18) A process to recognize and register patients who are authorized to purchase, possess, and use medical marijuana in another state, United States territory, or the District of Columbia as qualifying patients in this State; provided that this registration process may commence no sooner than January 1, 2018.

**§ -8 Laboratory standards and testing; laboratory certification.** (a) The department shall establish and enforce standards for laboratory-based testing of marijuana and manufactured marijuana products for content, contamination, and consistency.

(b) The department may certify laboratories that can test marijuana and manufactured marijuana products prior to the sale of marijuana and manufactured marijuana products.

§ -9 **Manufacturing of medical marijuana products.** (a) Any medical marijuana dispensary licensed by the department pursuant to this chapter shall be permitted to manufacture marijuana products; provided that the dispensary shall also obtain any other state or county permits or licenses that may be necessary for a particular manufacturing activity.

(b) The department shall establish health, safety, and sanitation standards regarding the manufacture of manufactured marijuana products.

(c) A manufacturer of a manufactured marijuana product shall calculate the equivalent physical weight of the marijuana that is used to manufacture the product and shall make the equivalency calculations available to the department and to a consumer of the manufactured marijuana product.

§ -10 **Types of manufactured marijuana products.** (a) The types of medical marijuana products that may be manufactured and distributed pursuant to this chapter shall be limited to:

- (1) Capsules;
- (2) Lozenges;
- (3) Pills;
- (4) Oils and oil extracts;
- (5) Tinctures;
- (6) Ointments and skin lotions; and
- (7) Other products as specified by the department.

(b) As used in this section, "lozenge" means a small tablet manufactured in a manner to allow for the dissolving of its medicinal or therapeutic component slowly in the mouth.

§ -11 **Advertising and packaging.** (a) The department shall establish standards regarding the advertising and packaging of marijuana and manufactured marijuana products; provided that the standards, at a minimum, shall require the use of packaging that:

- (1) Is child-resistant and opaque so that the product cannot be seen from outside the packaging;
- (2) Uses only black lettering on a white background with no pictures or graphics;
- (3) Is clearly labeled with the phrase "For medical use only";
- (4) Is clearly labeled with the phrase "Not for resale or transfer to another person";
- (5) Includes instructions for use and "use by date";
- (6) Contains information about the contents and potency of the product;
- (7) Includes the name of the production center where marijuana in the product was produced, including the batch number and date of packaging;
- (8) Includes a barcode generated by tracking software; and
- (9) In the case of a manufactured marijuana product, a listing of the equivalent physical weight of the marijuana used to manufacture the amount of the product that is within the packaging, pursuant to section -9(c).

(b) Any capsule, lozenge, or pill containing marijuana or its principal psychoactive constituent tetrahydrocannabinol shall be packaged so that one dose, serving, or single wrapped item contains no more than ten milligrams of tetrahydrocannabinol; provided that no manufactured marijuana product that is sold in a pack of multiple doses, servings, or single wrapped items, nor any

containers of oils, shall contain more than a total of one hundred milligrams of tetrahydrocannabinol per pack or container.

§ -12 **Background checks.** Each applicant and licensee for a medical marijuana dispensary license, including the individual applicant and all officers, directors, shareholders with at least twenty-five per cent ownership interest or more, members, and managers of an entity applicant; each employee of a medical marijuana dispensary; each subcontracted production center and retail dispensing location employee; all officers, directors, shareholders with at least twenty-five per cent ownership interest or more in a subcontracted production center or retail dispensing location; and any person permitted to enter and remain in dispensary facilities pursuant to section -15(a)(4) or -16(a)(3), shall be subject to background checks conducted by the department or its designee, including but not limited to criminal history record checks in accordance with section 846-2.7. The person undergoing the background check shall provide written consent and all applicable processing fees to the department or its designee to conduct the background checks.

§ -13 **Qualifying patients and primary caregivers; dispensing limits; other states.** (a) A qualifying patient or a primary caregiver on behalf of a qualifying patient shall be allowed to purchase no more than four ounces of marijuana within a consecutive period of fifteen days, or no more than eight ounces of marijuana within a consecutive period of thirty days.

(b) A qualifying patient or a primary caregiver on behalf of a qualifying patient may purchase marijuana from any dispensary location in the State, subject to the limits set forth in subsection (a).

(c) Beginning on January 1, 2018, this section may apply to qualifying patients from other states, territories of the United States, or the District of Columbia; provided that the patient is verified as a patient in their home state and registers with the department through a registration process established by the department.

§ -14 **Prohibited acts related to exceeding limits; fraud; penalties.** (a) It shall be unlawful for any person to obtain or attempt to procure any medical marijuana or medical marijuana product by:

- (1) Fraud, deceit, misrepresentation, embezzlement, or theft;
- (2) The forgery or alteration of a medical marijuana permit;
- (3) Furnishing fraudulent medical information or the concealment of a material fact;
- (4) The use of a false name or patient identification number, or the giving of a false address; or
- (5) The alteration of a state issued medical use of marijuana permit card.

(b) Any person who violates subsection (a) shall be guilty of a class C felony.

§ -15 **Criminal offense; unauthorized access to retail dispensing location.** (a) No person shall intentionally or knowingly enter or remain upon the premises of a medical marijuana retail dispensing location unless the individual is:

- (1) An individual licensee or registered employee of the dispensary;
- (2) A qualifying patient or primary caregiver of a qualifying patient;
- (3) A government employee or official acting in the person's official capacity; or

- (4) Previously included on a current department-approved list provided to the department by the licensee of those persons who are allowed into that dispensary's facilities for a specific purpose for that dispensary, including but not limited to construction, maintenance, repairs, legal counsel, or investors; provided that:
- (A) The person has been individually approved by the department to be included on the list;
  - (B) The person is at least twenty-one years of age, as verified by a valid government issued identification card;
  - (C) The department has confirmed that the person has no felony convictions;
  - (D) The person is escorted by an individual licensee or registered employee of the dispensary at all times while in the dispensary facility;
  - (E) The person is only permitted within those portions of the dispensary facility as necessary to fulfill the person's purpose for entering;
  - (F) The person is only permitted within the dispensary facility during the times and for the duration necessary to fulfill the person's purpose for entering;
  - (G) The dispensary shall keep an accurate record of each person's first and last name, date and times upon entering and exiting the dispensary facility, purpose for entering, and the identity of the escort; and
  - (H) The approved list shall be effective for one year from the date of the department approval.

(b) No individual licensee or registered employee of a medical marijuana dispensary with control over or responsibility for a retail dispensing location shall intentionally or knowingly allow another to enter or remain upon the premises of the retail dispensing location, unless the other is permitted to enter and remain as specified in subsection (a).

(c) Unauthorized access to a retail dispensing location is a class C felony.

**§ -16 Criminal offense; unauthorized access to production centers.** (a) No person shall intentionally or knowingly enter or remain upon the premises of a medical marijuana production center unless the person is:

- (1) An individual licensee or registered employee of the production center;
- (2) A government employee or official acting in the person's official capacity; or
- (3) Previously included on a current department-approved list provided to the department by the licensee of those persons who are allowed into that dispensary's facilities for a specific purpose for that dispensary, including but not limited to construction, maintenance, repairs, legal counsel, or investors; provided that:
  - (A) The person has been individually approved by the department to be included on the list;
  - (B) The person is at least twenty-one years of age, as verified by a valid government issued identification card;
  - (C) The department has confirmed that the person has no felony convictions;



- (D) The person is escorted by an individual licensee or registered employee of the dispensary at all times while in the dispensary facility;
- (E) The person is only permitted within those portions of the dispensary facility as necessary to fulfill the person's purpose for entering;
- (F) The person is only permitted within the dispensary facility during the times and for the duration necessary to fulfill the person's purpose for entering;
- (G) The dispensary shall keep an accurate record of each person's identity, date and times upon entering and exiting the dispensary facility, purpose for entering, and the identity of the escort; and
- (H) The approved list shall be effective for one year from the date of department approval.

(b) No individual licensee or registered employee of a medical marijuana dispensary with control over or responsibility for a production center shall intentionally or knowingly allow another to enter or remain upon the premises of the production center, unless the other is permitted to enter and remain as specified in subsection (a).

(c) Unauthorized access to a production center is a class C felony.

**§ -17 Prohibition of distribution of medical marijuana and medical marijuana products to minors; penalties.** (a) A person commits the offense of promoting medical marijuana or medical marijuana products to a minor if the person intentionally or knowingly distributes any amount of marijuana or manufactured marijuana products that came from a dispensary or production center to a minor who is not a registered qualifying patient.

(b) Any person who violates this section shall be guilty of a class B felony.

**§ -18 Diversion from dispensary or production center; penalties.** (a) A person commits diversion from a dispensary or production center if the person is a licensee, operator, or employee of a dispensary or production center and intentionally or knowingly diverts to the person's own use or other unauthorized or illegal use, or takes, makes away with, or secretes, with intent to divert to the person's own use or other unauthorized or illegal use, any medical marijuana, manufactured marijuana product, or marijuana concentrate under the person's possession, care, or custody as a licensee, operator, or employee of a medical marijuana dispensary or production center licensed by the department.

(b) Any person who violates this section shall be guilty of a class C felony.

**§ -19 Criminal offense; alteration or falsification of medical marijuana dispensary records.** (a) A person commits the offense of alteration or falsification of medical marijuana dispensary records if the person intentionally or knowingly:

- (1) Makes or causes a false entry in medical marijuana dispensary records;
- (2) Alters, erases, obliterates, deletes, removes, or destroys a true entry in medical marijuana dispensary records;
- (3) Omits to make a true entry in medical marijuana dispensary records in violation of a duty that the person knows to be imposed upon the person by law or by the nature of the person's position; or

(4) Prevents the making of a true entry or causes the omission thereof in medical marijuana dispensary records.

(b) Alteration or falsification of medical marijuana dispensary records is a class C felony.

(c) For the purposes of this section:

“Electronic” means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or other similar capabilities.

“Information” includes data, text, images, sounds, codes, computer programs, software, or databases.

“Medical marijuana dispensary records” means any inventory tracking records and other records maintained by a licensed medical marijuana dispensary, including the records of its retail dispensing locations and production centers, that are required by law to be created and retained or provided to the department.

“Record” means information that is written or printed or that is stored in an electronic or other medium and is retrievable in a perceivable form.

**§ -20 Law enforcement access to dispensary and production center records.** Notwithstanding any other law, the department shall disclose information, documents, and other records regarding medical marijuana dispensaries and production centers, upon request, to any state, federal, or county agency engaged in the criminal investigation or prosecution of violations of applicable state, county, or federal laws or regulations related to the operations or activities of a medical marijuana dispensary.

**§ -21 Revocation and suspension of licenses.** (a) In addition to any other actions authorized by law, the department may deny, revoke, or suspend any license applied for or issued by the department, in accordance with this chapter, and to fine or otherwise discipline a licensee for any cause authorized by law, including but not limited to the following:

- (1) Procuring a license through fraud, misrepresentation, or deceit;
- (2) Professional misconduct, gross carelessness, or manifest incapacity;
- (3) Violation of any of the provisions of this chapter or the rules adopted thereto;
- (4) False, fraudulent, or deceptive advertising;
- (5) Any other conduct constituting fraudulent or dishonest dealings;
- (6) Failure to comply with a department order; and
- (7) Making a false statement on any document submitted or required to be filed by this chapter, including furnishing false or fraudulent material information in any application.

(b) Any person who violates any of the provisions of this chapter or the rules adopted pursuant thereto shall be fined not less than \$100 nor more than \$1,000 for each violation.

(c) If the department revokes or suspends a license under this section, the licensee shall not:

- (1) Dispense, sell, transfer, or otherwise dispose of any marijuana or manufactured marijuana products owned by or in the possession of the licensee; or
- (2) Manufacture marijuana products.

Upon a revocation order becoming final, all marijuana and manufactured marijuana products may be forfeited to the State.

(d) All proceedings for denial, suspension, fine, or revocation of a license on any ground specified in subsection (a) shall be conducted pursuant to chapter 91, including the right to judicial review.

§ -22 **Medical marijuana zoning.** (a) Medical marijuana production centers and dispensaries shall comply with all county zoning ordinances, rules, or regulations; provided that:

- (1) A medical marijuana production center shall be permitted in any area in which agricultural production is permitted except as provided within this chapter; and
  - (2) No medical marijuana production center or dispensary shall be permitted within seven hundred fifty feet of the real property comprising a playground, public housing project or complex, or school.
- (b) As used in this section:

“Playground” means any public outdoor facility, including any parking lot appurtenant thereto, that is intended for recreation, with any portion thereof containing three or more separate apparatus intended for the recreation of children, including but not limited to sliding boards, swing sets, and teeterboards.

“Public housing project or complex” means a housing project directly controlled, owned, developed, or managed by the Hawaii public housing authority pursuant to the federal or state low-rent public housing program.

“School” means any public or private preschool, kindergarten, elementary, intermediate, middle, secondary, or high school.

§ -23 **Annual inspections, audits, and reports.** (a) Each medical marijuana production center and dispensary licensed pursuant to this part shall:

- (1) Be subject to an annual announced inspection and unlimited unannounced inspections of its operations by the department;
- (2) Submit reports on at least a quarterly basis, or as otherwise required, and in the format specified by the department; and
- (3) Annually cause an independent financial audit, at the dispensary licensee’s own expense, to be conducted of the dispensary, its production center, and retail dispensing locations and shall submit the audit’s findings to the department.

(b) The department shall report annually to the governor and the legislature on the establishment and regulation of medical marijuana production centers and dispensaries including but not limited to the number and location of production centers and dispensaries licensed, the total licensing fees collected, the total amount of taxes collected from production centers and dispensaries, and any licensing violations determined by the department.

§ -24 **Cultivation of medical marijuana by qualifying patients and primary caregivers.** Nothing in this chapter shall be construed as prohibiting a qualifying patient or primary caregiver from cultivating or possessing an adequate supply of medical marijuana pursuant to part IX of chapter 329.

§ -25 **Coordination among state and federal agencies.** The department shall initiate ongoing dialogue among relevant state and federal agencies to identify processes and policies that ensure the privacy of qualifying patients and the compliance of qualifying patients, primary caregivers, and medical marijuana dispensaries with state laws and regulations related to medical marijuana.

§ -26 **Public education.** (a) The department shall conduct a continuing education and training program to explain and clarify the purposes and requirements of this chapter or to provide substance abuse prevention and education. The program shall target community partner agencies, physicians and other health care providers, patients and caregivers, law enforcement agencies, law and policy makers, and the general public.

(b) The department shall employ at least one full-time staff member whose qualifications and duties include the provision of medical marijuana health education.

§ -27 **Administrative rules.** (a) The department shall adopt rules pursuant to chapter 91 to effectuate the purposes of this chapter.

(b) No later than January 4, 2016, the department shall adopt interim rules, which shall be exempt from chapter 91 and chapter 201M, to effectuate the purposes of this chapter; provided that the interim rules shall remain in effect until July 1, 2018, or until rules are adopted pursuant subsection (a), whichever occurs sooner.”

### PART III

SECTION 3. Section 46-4, Hawaii Revised Statutes, is amended to read as follows:

“§46-4 **County zoning.** (a) This section and any ordinance, rule, or regulation adopted in accordance with this section shall apply to lands not contained within the forest reserve boundaries as established on January 31, 1957, or as subsequently amended.

Zoning in all counties shall be accomplished within the framework of a long-range, comprehensive general plan prepared or being prepared to guide the overall future development of the county. Zoning shall be one of the tools available to the county to put the general plan into effect in an orderly manner. Zoning in the counties of Hawaii, Maui, and Kauai means the establishment of districts of such number, shape, and area, and the adoption of regulations for each district to carry out the purposes of this section. In establishing or regulating the districts, full consideration shall be given to all available data as to soil classification and physical use capabilities of the land to allow and encourage the most beneficial use of the land consonant with good zoning practices. The zoning power granted herein shall be exercised by ordinance which may relate to:

- (1) The areas within which agriculture, forestry, industry, trade, and business may be conducted;
- (2) The areas in which residential uses may be regulated or prohibited;
- (3) The areas bordering natural watercourses, channels, and streams, in which trades or industries, filling or dumping, erection of structures, and the location of buildings may be prohibited or restricted;
- (4) The areas in which particular uses may be subjected to special restrictions;
- (5) The location of buildings and structures designed for specific uses and designation of uses for which buildings and structures may not be used or altered;
- (6) The location, height, bulk, number of stories, and size of buildings and other structures;
- (7) The location of roads, schools, and recreation areas;
- (8) Building setback lines and future street lines;
- (9) The density and distribution of population;
- (10) The percentage of a lot that may be occupied, size of yards, courts, and other open spaces;
- (11) Minimum and maximum lot sizes; and
- (12) Other regulations the boards or city council find necessary and proper to permit and encourage the orderly development of land resources within their jurisdictions.

The council of any county shall prescribe rules, regulations, and administrative procedures and provide personnel it finds necessary to enforce this section and any ordinance enacted in accordance with this section. The ordinances may be enforced by appropriate fines and penalties, civil or criminal, or by court order at the suit of the county or the owner or owners of real estate directly affected by the ordinances.

Any civil fine or penalty provided by ordinance under this section may be imposed by the district court, or by the zoning agency after an opportunity for a hearing pursuant to chapter 91. The proceeding shall not be a prerequisite for any injunctive relief ordered by the circuit court.

Nothing in this section shall invalidate any zoning ordinance or regulation adopted by any county or other agency of government pursuant to the statutes in effect prior to July 1, 1957.

The powers granted herein shall be liberally construed in favor of the county exercising them, and in such a manner as to promote the orderly development of each county or city and county in accordance with a long-range, comprehensive general plan to ensure the greatest benefit for the State as a whole. This section shall not be construed to limit or repeal any powers of any county to achieve these ends through zoning and building regulations, except insofar as forest and water reserve zones are concerned and as provided in subsections (c) and (d).

Neither this section nor any ordinance enacted pursuant to this section shall prohibit the continued lawful use of any building or premises for any trade, industrial, residential, agricultural, or other purpose for which the building or premises is used at the time this section or the ordinance takes effect; provided that a zoning ordinance may provide for elimination of nonconforming uses as the uses are discontinued, or for the amortization or phasing out of nonconforming uses or signs over a reasonable period of time in commercial, industrial, resort, and apartment zoned areas only. In no event shall such amortization or phasing out of nonconforming uses apply to any existing building or premises used for residential (single-family or duplex) or agricultural uses. Nothing in this section shall affect or impair the powers and duties of the director of transportation as set forth in chapter 262.

(b) Any final order of a zoning agency established under this section may be appealed to the circuit court of the circuit in which the land in question is found. The appeal shall be in accordance with the Hawaii rules of civil procedure.

(c) Each county may adopt reasonable standards to allow the construction of two single-family dwelling units on any lot where a residential dwelling unit is permitted.

(d) Neither this section nor any other law, county ordinance, or rule shall prohibit group living in facilities with eight or fewer residents for purposes or functions that are licensed, certified, registered, or monitored by the State; provided that a resident manager or a resident supervisor and the resident manager's or resident supervisor's family shall not be included in this resident count. These group living facilities shall meet all applicable county requirements not inconsistent with the intent of this subsection, including but not limited to building height, setback, maximum lot coverage, parking, and floor area requirements.

(e) Neither this section nor any other law, county ordinance, or rule shall prohibit the use of land for employee housing and community buildings in plantation community subdivisions as defined in section 205-4.5(a)(12); in addition, no zoning ordinance shall provide for the elimination, amortization, or phasing out of plantation community subdivisions as a nonconforming use.

(f) Neither this section nor any other law, county ordinance, or rule shall prohibit the use of land for medical marijuana production centers or medical marijuana dispensaries established and licensed pursuant to chapter : provided that the land is otherwise zoned for agriculture, manufacturing, or retail purposes.”

#### PART IV

SECTION 4. Section 321-30.1, Hawaii Revised Statutes, is amended to read as follows:

**“~~[[§321-30.1]]~~ Medical marijuana registry and regulation special fund; established.** (a) There is established within the state treasury the medical marijuana registry and regulation special fund. The fund shall be expended at the discretion of the director of health:

- (1) To establish and regulate a system of medical marijuana dispensaries in the State;
  - ~~[(1)]~~ (2) To offset the cost of the processing and issuance of patient registry identification certificates and primary caregiver registration certificates;
  - ~~[(2)]~~ (3) To fund positions and operating costs authorized by the legislature;
  - ~~[(3)]~~ (4) To establish and manage a secure and confidential database; [and]
  - (5) To fund public education as required by section -26;
  - (6) To fund substance abuse prevention and education programs; and
  - ~~[(4)]~~ (7) For any other expenditure necessary, [as authorized by the legislature,] consistent with this chapter and chapter , to implement [a] medical marijuana registry and regulation [program,] programs.
- (b) The fund shall consist of all moneys derived from fees collected pursuant to subsection (c)~~[-]~~ and section -4. There is established within the medical marijuana registry and regulation special fund:

- (1) A medical marijuana registry program sub-account, into which shall be deposited [AH] all fees collected pursuant to subsection (c) [shall be deposited into the medical marijuana registry special fund.]; and
  - (2) A medical marijuana dispensary program sub-account, into which shall be deposited all fees collected pursuant to section -4.
- (c) The department, upon completion of the transfer of the medical use of marijuana program, shall charge a medical marijuana registration fee to qualifying patients of no more than \$35.”

#### PART V

SECTION 5. Chapter 329, Hawaii Revised Statutes, is amended by adding four new sections to part IX to be appropriately designated and to read as follows:

**“§329- Protections afforded to an owner or qualified employee of a licensed medical marijuana dispensary.** (a) An owner or employee of a medical marijuana dispensary that is licensed under chapter may assert the production or distribution of medical marijuana as an affirmative defense to any prosecution involving marijuana under this part, chapter , or chapter 712; provided that the owner or employee strictly complied with the requirements of chapter and any administrative rules adopted thereunder.

(b) An owner or employee of a licensed medical marijuana dispensary not strictly complying with the requirements of chapter , and any adminis-

trative rules adopted thereunder, shall not be afforded the protections provided by subsection (a).

**§329- Prohibited acts; flammable solvents.** (a) No qualifying patient or primary caregiver shall use butane to extract tetrahydrocannabinol from marijuana plants.

(b) Any person who violates this section shall be guilty of a class C felony.

**§329- Authorized sources of medical marijuana.** (a) After December 31, 2018, a qualifying patient shall obtain medical marijuana or manufactured marijuana products only:

- (1) From a dispensary licensed pursuant to chapter ; provided that the marijuana shall be purchased and paid for at the time of purchase; or
- (2) By cultivating marijuana in an amount that does not exceed an adequate supply for the qualifying patient, pursuant to section 329-122.

After December 31, 2018, no primary caregiver shall be authorized to cultivate marijuana for any qualifying patient.

(b) This section shall not apply to:

- (1) A qualifying patient who is a minor or an adult lacking legal capacity and the primary caregiver is the parent, guardian, or person having legal custody of a qualifying patient described in this paragraph; or
- (2) A qualifying patient on any island on which there is no medical marijuana dispensary licensed pursuant to chapter .

**§329- Prescription and pharmacy requirements not applicable.** Notwithstanding any other law to the contrary, the prescription requirements of section 329-38 and the board of pharmacy licensure or regulatory requirements under chapter 461 shall not apply to the medical use of marijuana under this part.”

SECTION 6. Section 329-121, Hawaii Revised Statutes, is amended by amending the definitions of “adequate supply” and “debilitating medical condition” to read as follows:

““Adequate supply” means an amount of marijuana jointly possessed between the qualifying patient and the primary caregiver that is not more than is reasonably necessary to [assure] ensure the uninterrupted availability of marijuana for the purpose of alleviating the symptoms or effects of a qualifying patient’s debilitating medical condition; provided that an “adequate supply” shall not exceed; seven marijuana plants, whether immature or mature, and four ounces of usable marijuana at any given time. The four ounces of usable marijuana shall include any combination of usable marijuana and manufactured marijuana products, as provided in chapter , with the marijuana in the manufactured marijuana products being calculated using information provided pursuant to section -9(c).

“Debilitating medical condition” means:

- (1) Cancer, glaucoma, positive status for human immunodeficiency virus, acquired immune deficiency syndrome, or the treatment of these conditions;
- (2) A chronic or debilitating disease or medical condition or its treatment that produces one or more of the following:
  - (A) Cachexia or wasting syndrome;

- (B) Severe pain;
  - (C) Severe nausea;
  - (D) Seizures, including those characteristic of epilepsy; ~~or~~
  - (E) Severe and persistent muscle spasms, including those characteristic of multiple sclerosis or Crohn's disease; or
  - (F) Post-traumatic stress disorder; or
- (3) Any other medical condition approved by the department of health pursuant to administrative rules in response to a request from a physician or potentially qualifying patient."

SECTION 7. Section 329-122, Hawaii Revised Statutes, is amended to read as follows:

**"§329-122 Medical use of marijuana; conditions of use.** (a) Notwithstanding any law to the contrary, the medical use of marijuana by a qualifying patient shall be permitted only if:

- (1) The qualifying patient has been diagnosed by a physician as having a debilitating medical condition;
  - (2) The qualifying patient's physician has certified in writing that, in the physician's professional opinion, the potential benefits of the medical use of marijuana would likely outweigh the health risks for the particular qualifying patient; and
  - (3) The amount of marijuana possessed by the qualifying patient does not exceed an adequate supply.
- (b) Subsection (a) shall not apply to a qualifying patient under the age of eighteen years, unless:
- (1) The qualifying patient's physician has explained the potential risks and benefits of the medical use of marijuana to the qualifying patient and to a parent, guardian, or person having legal custody of the qualifying patient; and
  - (2) A parent, guardian, or person having legal custody consents in writing to:
    - (A) Allow the qualifying patient's medical use of marijuana;
    - (B) Serve as the qualifying patient's primary caregiver; and
    - (C) Control the acquisition of the marijuana, the dosage, and the frequency of the medical use of marijuana by the qualifying patient.
- (c) The authorization for the medical use of marijuana in this section shall not apply to:
- (1) The medical use of marijuana that endangers the health or well-being of another person;
  - (2) The medical use of marijuana:
    - (A) In a school bus, public bus, or any moving vehicle;
    - (B) In the workplace of one's employment;
    - (C) On any school grounds;
    - (D) At any public park, public beach, public recreation center, recreation or youth center; or
    - (E) ~~Other~~ At any other place open to the public; ~~and~~ provided that a qualifying patient, primary caregiver, or an owner or employee of a medical marijuana dispensary licensed under chapter \_\_\_\_\_ shall not be prohibited from transporting marijuana or any manufactured marijuana product, as that term is defined in section \_\_\_\_\_-1, in any public place; provided further that the marijuana or manufactured marijuana product



shall be transported in a sealed container, not be visible to the public, and shall not be removed from its sealed container or consumed or used in any way while it is in the public place; and

- (3) The use of marijuana by a qualifying patient, parent, or primary caregiver for purposes other than medical use permitted by this part.

(d) For the purposes of this section, "transport" means the transportation of marijuana, usable marijuana, or any manufactured marijuana product between:

- (1) A qualifying patient and the qualifying patient's primary caregiver;  
or
- (2) The production centers and the retail dispensing locations under a dispensary licensee's license;

provided that "transport" does not include the interisland transportation of marijuana, usable marijuana, or any manufactured marijuana product."

**PART VI**

SECTION 8. Section 329-123, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Physicians who issue written certifications shall provide, in each written certification, the name, address, patient identification number, and other identifying information of the qualifying patient. The department of health shall require, in rules adopted pursuant to chapter 91, that all written certifications comply with a designated form completed by or on behalf of a qualifying patient. The form shall require information from the applicant, primary caregiver, and ~~[primary care]~~ physician as specifically required or permitted by this chapter. The form shall require the address of the location where the marijuana is grown and shall appear on the registry card issued by the department of health. The certifying physician shall be required to ~~[be the qualifying patient's primary care physician.]~~ have a bona fide physician-patient relationship with the qualifying patient. All current active medical marijuana permits shall be honored through their expiration date."

**PART VII**

SECTION 9. Section 846-2.7, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

- "(b) Criminal history record checks may be conducted by:
- (1) The department of health or the department's designee on operators of adult foster homes or developmental disabilities domiciliary homes and their employees, as provided by section 333F-22;
  - (2) The department of health or the department's designee on prospective employees, persons seeking to serve as providers, or subcontractors in positions that place them in direct contact with clients when providing non-witnessed direct mental health services as provided by section 321-171.5;
  - (3) The department of health or the department's designee on all applicants for licensure for, operators for, prospective employees, and volunteers at one or more of the following: skilled nursing facility, intermediate care facility, adult residential care home, expanded adult residential care home, assisted living facility, home health agency, hospice, adult day health center, special treatment facility, therapeutic living program, intermediate care facility for individuals

- with intellectual disabilities, hospital, rural health center and rehabilitation agency, and, in the case of any of the above facilities operating in a private residence, on any adult living in the facility other than the client as provided by section 321-15.2;
- (4) The department of education on employees, prospective employees, and teacher trainees in any public school in positions that necessitate close proximity to children as provided by section 302A-601.5;
  - (5) The counties on employees and prospective employees who may be in positions that place them in close proximity to children in recreation or child care programs and services;
  - (6) The county liquor commissions on applicants for liquor licenses as provided by section 281-53.5;
  - (7) The county liquor commissions on employees and prospective employees involved in liquor administration, law enforcement, and liquor control investigations;
  - (8) The department of human services on operators and employees of child caring institutions, child placing organizations, and foster boarding homes as provided by section 346-17;
  - (9) The department of human services on prospective adoptive parents as established under section 346-19.7;
  - (10) The department of human services on applicants to operate child care facilities, prospective employees of the applicant, and new employees of the provider after registration or licensure as provided by section 346-154;
  - (11) The department of human services on persons exempt pursuant to section 346-152 to be eligible to provide child care and receive child care subsidies as provided by section 346-152.5;
  - (12) The department of health on operators and employees of home and community-based case management agencies and operators and other adults, except for adults in care, residing in foster family homes as provided by section 321-484;
  - (13) The department of human services on staff members of the Hawaii youth correctional facility as provided by section 352-5.5;
  - (14) The department of human services on employees, prospective employees, and volunteers of contracted providers and subcontractors in positions that place them in close proximity to youth when providing services on behalf of the office or the Hawaii youth correctional facility as provided by section 352D-4.3;
  - (15) The judiciary on employees and applicants at detention and shelter facilities as provided by section 571-34;
  - (16) The department of public safety on employees and prospective employees who are directly involved with the treatment and care of persons committed to a correctional facility or who possess police powers including the power of arrest as provided by section 353C-5;
  - (17) The board of private detectives and guards on applicants for private detective or private guard licensure as provided by section 463-9;
  - (18) Private schools and designated organizations on employees and prospective employees who may be in positions that necessitate close proximity to children; provided that private schools and designated organizations receive only indications of the states from which the national criminal history record information was provided pursuant to section 302C-1;

- (19) The public library system on employees and prospective employees whose positions place them in close proximity to children as provided by section 302A-601.5;
- (20) The State or any of its branches, political subdivisions, or agencies on applicants and employees holding a position that has the same type of contact with children, vulnerable adults, or persons committed to a correctional facility as other public employees who hold positions that are authorized by law to require criminal history record checks as a condition of employment as provided by section 78-2.7;
- (21) The department of health on licensed adult day care center operators, employees, new employees, subcontracted service providers and their employees, and adult volunteers as provided by section 321-496;
- (22) The department of human services on purchase of service contracted and subcontracted service providers and their employees serving clients of the [[adult protective and community services branch]], as provided by section 346-97;
- (23) The department of human services on foster grandparent program, senior companion program, and respite companion program participants as provided by section 346-97;
- (24) The department of human services on contracted and subcontracted service providers and their current and prospective employees that provide home and community-based services under section 1915(c) of the Social Security Act, title 42 United States Code section 1396n(c), or under any other applicable section or sections of the Social Security Act for the purposes of providing home and community-based services, as provided by section 346-97;
- (25) The department of commerce and consumer affairs on proposed directors and executive officers of a bank, savings bank, savings and loan association, trust company, and depository financial services loan company as provided by section 412:3-201;
- (26) The department of commerce and consumer affairs on proposed directors and executive officers of a nondepository financial services loan company as provided by section 412:3-301;
- (27) The department of commerce and consumer affairs on the original chartering applicants and proposed executive officers of a credit union as provided by section 412:10-103;
- (28) The department of commerce and consumer affairs on:
  - (A) Each principal of every non-corporate applicant for a money transmitter license; and
  - (B) The executive officers, key shareholders, and managers in charge of a money transmitter's activities of every corporate applicant for a money transmitter license,
 as provided by sections 489D-9 and 489D-15;
- (29) The department of commerce and consumer affairs on applicants for licensure and persons licensed under title 24;
- (30) The Hawaii health systems corporation on:
  - (A) Employees;
  - (B) Applicants seeking employment;
  - (C) Current or prospective members of the corporation board or regional system board; or
  - (D) Current or prospective volunteers, providers, or contractors, in any of the corporation's health facilities as provided by section 323F-5.5;

- (31) The department of commerce and consumer affairs on:  
 (A) An applicant for a mortgage loan originator license; and  
 (B) Each control person, executive officer, director, general partner, and manager of an applicant for a mortgage loan originator company license,  
 as provided by chapter 454F;
- (32) The state public charter school commission or public charter schools on employees, teacher trainees, prospective employees, and prospective teacher trainees in any public charter school for any position that places them in close proximity to children, as provided in section 302D-33;
- (33) The counties on prospective employees who work with children, vulnerable adults, or senior citizens in community-based programs;
- (34) The counties on prospective employees for fire department positions which involve contact with children or vulnerable adults;
- (35) The counties on prospective employees for emergency medical services positions which involve contact with children or vulnerable adults;
- (36) The counties on prospective employees for emergency management positions and community volunteers whose responsibilities involve planning and executing homeland security measures including viewing, handling, and engaging in law enforcement or classified meetings and assisting vulnerable citizens during emergencies or crises;
- (37) The State and counties on employees, prospective employees, volunteers, and contractors whose position responsibilities require unescorted access to secured areas and equipment related to a traffic management center;
- (38) The State and counties on employees and prospective employees whose positions involve the handling or use of firearms for other than law enforcement purposes;
- (39) The State and counties on current and prospective systems analysts and others involved in an agency's information technology operation whose position responsibilities provide them with access to proprietary, confidential, or sensitive information;
- [(40)] The department of commerce and consumer affairs on applicants for real estate appraiser licensure or certification as provided by chapter 466K; ~~and~~
- (41) The department of health or its designee on all license applicants, licensees, employees, contractors, and prospective employees of medical marijuana dispensaries, and individuals permitted to enter and remain in medical marijuana dispensary facilities as provided under sections -15(a)(4) and -16(a)(3); and
- [(41)] (42) Any other organization, entity, or the State, its branches, political subdivisions, or agencies as may be authorized by state law.”

### PART VIII

SECTION 10. There is appropriated out of the general revenues of the State of Hawaii the sum of \$750,000 or so much thereof as may be necessary for fiscal year 2015-2016, and the same sum or so much thereof as may be necessary for fiscal year 2016-2017, to be deposited into the medical marijuana registry and regulation special fund established pursuant to section 321-30.1, Hawaii Revised Statutes.

SECTION 11. There is appropriated out of the medical marijuana registry and regulation special fund the sum of \$750,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 to carry out the purposes of this Act, including the establishment, hiring, and filling of five permanent full-time equivalent (5.0 FTE) positions to carry out the purposes of the medical marijuana dispensary program established pursuant to this Act.

The sums appropriated shall be expended by the department of health for the purposes of this Act.

SECTION 12. Not later than July 1, 2017, the department of health shall establish a repayment plan and schedule to repay to the general fund, the sums deposited into the medical marijuana registry and regulation special fund established pursuant to section 321-30.1, Hawaii Revised Statutes. The department of health shall only use moneys from the medical marijuana registry and regulation special fund to repay the general fund.

#### PART IX

SECTION 13. Not later than March 15, 2016, the director of health, or the director's designee, shall submit a report and provide an informational briefing to the legislature concerning the progress of implementing the provisions of part II of this Act, including the status of rulemaking by the department of health pertaining to the licensure of medical marijuana dispensaries and production centers.

#### PART X

SECTION 14. For the purposes of effectuating this Act, the personnel hired and the contracts entered into by the department of health, pursuant to this Act, shall be exempt from chapter 76, Hawaii Revised Statutes, for a period beginning on July 1, 2015, and ending on June 30, 2017; provided that:

- (1) All personnel actions taken pursuant to this Act by the department of health after June 30, 2017, shall be subject to chapter 76, Hawaii Revised Statutes, as appropriate; and
- (2) Any employee hired by the department of health to effectuate this Act, who occupies a position exempt from civil service on July 1, 2017, shall:
  - (A) Be appointed to a civil service position; and
  - (B) Not suffer any loss of prior service credit, vacation or sick leave credits previously earned, or other employee benefits or privileges;

provided that the employee possesses the minimum qualifications and public employment requirements for the class or position to which appointed; provided further that subsequent changes in status shall be made pursuant to applicable civil service and compensation laws.

#### PART XI

SECTION 15. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 16. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the invalidity does not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 17. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

SECTION 18. This Act shall take effect on July 1, 2015.

(Approved July 14, 2015.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 242

S.B. NO. 1291

A Bill for an Act Relating to Medical Marijuana.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that support for the medical use of marijuana in the State is strong and that the experience of the State with the medical use of marijuana has been favorable, but that existing protections for patients are very weak regarding civil penalties. Patients within the medical marijuana program should not be less secure in their housing, school enrollment, or supplemental medical care than patients who have made different private decisions with their doctors concerning medication or treatment.

The legislature is mindful of the difficult position of medical marijuana patients under federal law and seeks to ensure that the rights of patients are protected, while at the same time respecting the needs of institutions and individuals to protect themselves from federal penalties. For this reason, the rights afforded under this Act are limited to those situations in which a school or landlord would not lose a monetary or licensing-related benefit for compliance with state law, and to those situations in which patients and caregivers are in strict compliance with the State's medical marijuana law.

SECTION 2. Chapter 329, Hawaii Revised Statutes, is amended by adding a new section to part IX to be appropriately designated and to read as follows:

**“§329- Medical marijuana patient and caregiver protections.** (a) No school shall refuse to enroll or otherwise penalize, and no landlord shall refuse to lease property to or otherwise penalize, a person solely for the person's status as a qualifying patient or primary caregiver in the medical marijuana program under this part, unless failing to do so would cause the school or landlord to lose a monetary or licensing-related benefit under federal law or regulation; provided that the qualifying patient or primary caregiver strictly complied with the requirements of this part; provided further that the qualifying patient or primary caregiver shall present a medical marijuana registry card or certificate and photo identification, to ensure that the qualifying patient or primary caregiver is validly registered with the department of health pursuant to section 329-123.

(b) For the purposes of medical care, including organ transplants, a registered qualifying patient's use of marijuana in compliance with this part

shall be considered the equivalent of the use of any other medication under the direction of a physician and shall not constitute the use of an illicit substance or otherwise disqualify a registered qualifying patient from medical care.

(c) No qualifying patient or primary caregiver under this part shall be denied custody of, visitation with, or parenting time with a minor, and there shall be no presumption of neglect or child endangerment, for conduct allowed under this part; provided that this subsection shall not apply if the qualifying patient's or primary caregiver's conduct created a danger to the safety of the minor, as established by a preponderance of the evidence."

SECTION 3. Chapter 421J, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**"§421J- Medical marijuana; discrimination.** A provision in any association document allowing for any of the discriminatory practices listed in paragraphs (1) to (7) of section 515-3 against a person residing in a unit who has a valid certificate for the medical use of marijuana as provided in section 329-123 in any form is void, unless the association document prohibits the smoking of tobacco and the medical marijuana is used by means of smoking. Nothing herein shall be construed to diminish the obligation of a planned community association to provide reasonable accommodations for persons with disabilities pursuant to section 515-3(9)."

SECTION 4. Chapter 514A, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**"§514A- Medical marijuana; discrimination.** A provision in any articles of incorporation, declaration, bylaws, administrative rules, house rules, association documents, or a similar document of a condominium property regime allowing for any of the discriminatory practices listed in paragraphs (1) to (7) of section 515-3 against a person residing in an apartment who has a valid certificate for the medical use of marijuana as provided in section 329-123 in any form is void, unless the document prohibits the smoking of tobacco and the medical marijuana is used by means of smoking. Nothing herein shall be construed to diminish the obligation of a condominium property regime to provide reasonable accommodations for persons with disabilities pursuant to section 515-3(9)."

SECTION 5. Chapter 514B, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**"§514B- Medical marijuana; discrimination.** A provision in any articles of incorporation, declaration, bylaws, administrative rules, house rules, or association documents of a condominium allowing for any of the discriminatory practices listed in paragraphs (1) to (7) of section 515-3 against a person residing in a unit who has a valid certificate for the medical use of marijuana as provided in section 329-123 in any form is void, unless the documents prohibit the smoking of tobacco and the medical marijuana is used by means of smoking. Nothing herein shall be construed to diminish the obligation of a condominium association to provide reasonable accommodations for persons with disabilities pursuant to section 515-3(9)."

SECTION 6. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 7. New statutory material is underscored.<sup>1</sup>

SECTION 8. This Act shall take effect upon its approval.

(Approved July 14, 2015.)

**Note**

1. Edited pursuant to HRS §23G-16.5.

**ACT 243**

S.B. NO. 273

A Bill for an Act Relating to Identification Cards.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 286-304, Hawaii Revised Statutes, is amended to read as follows:

**“~~[[§286-304]]~~ Procedure.** (a) All information required by section 286-303 shall be obtained by employees of the examiner of drivers as provided for by rules of the director and by individual interviews with the applicant for the identification card or parent, individual in loco parentis, or guardian, as shown by letters of guardianship. Every applicant or individual providing information on behalf of any applicant under part VI and this part shall answer truthfully all questions, furnish all information within the possession or knowledge of the individual that may be asked or required by the employee within the scope of the requirements of this part, and submit to the examiner of drivers all information and supporting documentation required by rules of the director.

(b) Special provisions may be made by rules adopted by the director.

(c) The examiner of drivers may require an applicant, or any individual providing information on behalf of an applicant, to furnish original or certified copies of documents to establish or corroborate the information required to establish identity under this part and may, by rules, set forth what documents will be required to support or corroborate certain information.

(d) For a person who qualifies as homeless pursuant to section 346-361, the examiner of drivers shall accept a signed sworn statement from a member of a victim services organization, an attorney, a member of the clergy, correctional institution staff, a medical or other health professional from whom the person has sought services, or a verification letter from a homeless service provider as documentary evidence of the person's address.”

SECTION 2. Section 286-309, Hawaii Revised Statutes, is amended to read as follows:

**“~~[[§286-309]]~~ Rules.** For the purpose of carrying out this part, the director, pursuant to chapter 91, shall adopt rules including rules assessing reasonable fees for the services provided under this part. The rules shall ~~[authorize]~~:

- (1) Authorize the examiner of drivers to waive any fee in cases of extreme hardship and provide criteria for determining whether a waiver is warranted[-]; and
- (2) Direct the examiner of drivers to waive all fees for the issuance of an original or renewal identification card for any individual who is



homeless; provided the individual's homeless status is corroborated by a verification letter issued by a homeless service provider."

SECTION 3. (a) There is established a working group to be placed in the department of human services for administrative purposes that shall conduct research and develop a plan to enable individuals in the State who are unable to produce documentation required for a state civil identification card to obtain satisfactory documentary evidence.

(b) The following individuals shall serve as members of the working group:

- (1) A representative from the United States Citizenship and Immigration Services;
- (2) A representative from the Social Security Administration;
- (3) The director of human services or the director's designee;
- (4) The director of health or the director's designee;
- (5) The director of labor and industrial relations or the director's designee;
- (6) The examiner of drivers for the city and county of Honolulu or the examiner's designee;
- (7) An individual who shall represent the examiners of drivers for Kauai, Hawaii, and Maui counties;
- (8) An individual who shall represent homeless service providers operating in the city and county of Honolulu;
- (9) An individual who shall represent homeless service providers operating on Kauai, Hawaii, and Maui counties; and
- (10) A representative from the Partners in Development Foundation's We Are Oceania project.

(c) Members of the working group shall serve without compensation and without reimbursement for expenses.

(d) The working group shall submit an interim report to the legislature no later than twenty days prior to the convening of the regular session of 2016.

(e) The working group shall submit a final report with its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2017.

(f) The working group shall be dissolved on June 30, 2017.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.

(Approved July 14, 2015.)

## PROPOSED CONSTITUTIONAL AMENDMENT

### S.B. NO. 143

A Bill for an Act Proposing an Amendment to the Hawaii Constitution to Change the Threshold Value in Controversy Requirement for Jury Trials in Civil Cases at Common Law from \$5,000 to \$10,000.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to propose an amendment to article I, section 13, of the Constitution of the State of Hawaii to increase the threshold value in controversy requirement for jury trials in civil cases at common law from \$5,000 to \$10,000.

SECTION 2. Article I, section 13, of the Constitution of the State of Hawaii is amended to read as follows:

#### **“TRIAL BY JURY, CIVIL CASES**

Section 13. In suits at common law where the value in controversy shall exceed ~~five~~ ten thousand dollars, the right of trial by jury shall be preserved. The legislature may provide for a verdict by not less than three-fourths of the members of the jury.”

SECTION 3. The question to be printed on the ballot shall be as follows:

“Shall the threshold value in controversy requirement for jury trials in civil cases at common law be increased from \$5,000 to \$10,000?”

SECTION 4. Constitutional material to be repealed is bracketed and stricken. New constitutional material is underscored.

SECTION 5. This amendment shall take effect upon compliance with article XVII, section 3, of the Constitution of the State of Hawaii.

**COMMITTEE REPORTS ON BILLS ENACTED  
AND PROPOSED CONSTITUTIONAL AMENDMENT**

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**TABLES SHOWING EFFECT OF ACTS**

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### PROPOSED CONSTITUTIONAL AMENDMENT

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#### Notes

1. Became law without the Governor's signature.
2. Became law without the Governor's signature.
3. Became law without the Governor's signature.
4. Became law without the Governor's signature.



**TABLES SHOWING EFFECT OF ACTS**

Twenty-Eighth State Legislature  
2015 Regular Session

Key: Am = Amended \_\_\_\_\_ = Section number  
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R = Repealed HRS Supplement

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